BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2020-3018835
	:	
Columbia Gas of Pennsylvania, Inc.	:	

DIRECT TESTIMONY OF MITCHELL MILLER

ON BEHALF OF

THE COALITION FOR AFFORDABLE UTILITY SERVICES AND

ENERGY EFFICIENCY IN PENNSYLVANIA (“CAUSE-PA”)

July 28, 2020

PREPARED DIRECT TESTIMONY OF MITCHELL MILLER

Q: Please state your name, occupation, and business address.

A: Mitchell Miller. I provide consulting services regarding utility programs that promote the public interest with a focus on low-income households. My address is 60 Geisel Road, Harrisburg, PA 17112.

Q: Briefly outline your education and professional background.

A: As my attached resume shows, I received a B.S. in Community Development from Pennsylvania State University, where I graduated *cum laude* in 1974, and an M.A. in Public Administration from Shippensburg University in 1984. I have over 35 years of experience in the development, implementation, and evaluation of program design for residential utility consumers. The focus of my work has concerned education, energy efficiency, credit and collections, and customer assistance programs.

After serving as a research analyst at both the Pennsylvania Governors Action Center and the Pennsylvania Public Utility Commission ("Commission"), I was appointed Chief of the Commission's Division of Research and Planning in 1978 and, in 1992, I was designated as the Director of the Bureau of Consumer Services, where I served until my retirement from the Commission in 2009.

Following my retirement from the Commission in 2009, I served for over three years as a consultant to the Pennsylvania Department of Community and Economic Development ("DCED") on weatherization and energy efficiency for the Pennsylvania Weatherization Assistance Program (WAP). My resume is attached as Appendix A.

Q: Please describe the focus of your work over the past thirty-five years.

A: During my tenure at the Commission, I was primarily engaged in activities relating to regulatory policy involving residential customer service, complaint handling, credit and collections, and universal service - including customer assistance programs and low-income energy efficiency and conservation programs. The Bureau of Consumer Services has regulatory authority and responsibility for policy development for all areas of consumer services, including resolving consumer complaints and problems; enforcing consumer regulations; developing, implementing, and evaluating programs involving complaint handling, complaint analysis, and collections; enforcement of consumer regulations; and design and implementation of customer assistance and conservation programs. My focus at DCED was the creation of a performance-based Weatherization Assistance Program system, dedicated to a high standard of quality, compliance, and production.

Q: What is your relevant experience on issues of low-income utility affordability?

A: During my tenure, the Commission emerged as a national leader in research, development, and oversight of programs addressing credit and collection issues affecting low-income utility consumers. I was responsible for evaluating utility and Commission customer service programs, identifying problems, and making recommendations for change. These activities led to the recognition of the need for development of integrated programs for low-income consumers. As director of BCS, I was responsible for the development, oversight, and monitoring of the initial pilot and then the statutorily required low-income Universal Service Programs. Each of these programs is structured to provide a different form of assistance to low-income customers to enable those customers to afford and maintain basic service. For example, the Customer Assistance Program (CAP) provides alternatives to traditional collection methods for low-income, payment

troubled utility customers, and the Low-Income Usage Reduction Program (LIURP) is a targeted weatherization program designed to assist low-income households with high consumption, payment problems, and arrearages. These programs work in tandem and are designed to assist low-income households have affordable utility services and safe living environments while reducing utility collection and therefore benefitting other ratepayers.

As director of BCS, I supervised the review and determination of thousands of low-income consumer complaints and inquiries, as well as the reviews of utility performance at handling these complaints and inquires.

I directed the creation, development, and evaluation of the effectiveness and the expansion of the Universal Service Programs in Pennsylvania that are targeted toward low-income households. These programs included CAP and LIURP, as well as the Customer Assistance Referral Evaluation (CARES) and Hardship Fund programs. From the inception of these programs and through my retirement in 2009, the Bureau of Consumer Services – under my direction – was responsible for Commission oversight of these programs. This oversight responsibility was codified and formalized after the passage of the Electricity Generation and the Natural Gas Customer Choice and Competition Acts, which explicitly require that the Commission ensure universal service and energy conservation services are appropriately funded and available in each utility distribution territory.

Further, upon my retirement from the Commission, I served as a consultant on weatherization and energy efficiency for the Pennsylvania Weatherization Assistance Program (WAP), which is administered by the Department of Community and Economic Development (DCED). I helped transform WAP by creating a performance-based system, dedicated to a high standard of quality, compliance, and production. Innovations included introducing performance

standards for production, quality, and compliance, as well as implementation of independent state certification and training for all state WAP workers. I was also responsible for coordinating DCED's WAP program with the Commission's LIURP and Act 129 low-income programs. In addition to consulting on WAP, I also served as a policy consultant for the Philadelphia Water Department from 2013 to 2016. In this role, I assisted the Department to improve the informal dispute and hearing process, and to develop deferred payment agreements.

I have participated at the National Association of Regulatory Utility Commissioners (NARUC), the National Low-income Energy Consortium and the National Energy Utility Affordability Conference meetings, and have presented numerous sessions related to low-income utility affordability. I also previously served on the board of directors of the Keystone Energy Efficiency Alliance (KEEA) and as co-chair of the KEEA annual conferences, and I am currently a member of the WAP Policy Advisory Council.

Q: Have you testified in any proceeding before the Pennsylvania PUC?

A: Yes. I have presented testimony in many proceedings before the PUC. A complete list is included in my resume, which is attached as Appendix A.

Q: Have you provided litigation support for the Commission?

A: Although I did not testify in any proceeding during my tenure at the Commission, I directed the Bureau's activities in policy development and enforcement litigation to ensure compliance with customer service regulations and statutes.

Q: For whom are you testifying in this proceeding?

A: I am testifying on behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA).

Q: What is the purpose of your testimony?

A: CAUSE-PA intervened in this proceeding to ensure that the proposed rate increase and rate design will not adversely affect Columbia Gas of Pennsylvania, Inc.'s (Columbia, CPA, or the Company) low-income customers' ability to connect to, maintain, and afford natural gas service, which is essential for heating, cooking, and hot water – all critical components to a safe and healthy home.

Q: How is your testimony organized?

A: My testimony is divided into four substantive sections and one section summarizing my proposals and recommendations.

In section I, I discuss the financial impact that Columbia's proposed residential rate increase will have on its low-income ratepayers, particularly in the face of the current pandemic and economic crisis. According to the Company's own estimates, nearly one quarter of its residential customers had low-income even before the economic devastation of the pandemic.[1] These households were struggling to pay for basic life necessities before crisis hit – and are now struggling even more to make ends meet. Further increasing the cost of natural gas service will increase levels of unaffordability for tens of thousands of customers, leading to increased

[1] see CAUSE-PA to CPA I-6 (97,268 estimated low-income customers); see also CAUSE-PA to CPA I-25 (404,910 residential customers).

All interrogatory responses cited herein are attached as Appendix B.

terminations and associated health risks. As I will explain, Columbia's current universal service programs are inadequate to fully address the affordability gap for economically vulnerable customers. Thus, Columbia must do more to improve its universal service programs - regardless of whether any rate increase is ultimately approved.

In section II, I discuss Columbia's proposed rate design, which seeks to recover an increased portion of the residential cost of service through a fixed monthly customer charge. I will also discuss Columbia's proposed Revenue Normalization Adjustment (Rider RNA), which would adjust non-gas distribution revenue based on a per customer basis. As I will explain later in more detail, Columbia's high fixed charges and its proposed Rider RNA undermine energy efficiency efforts and deprive households of the ability to gain economic savings through the adoption of energy efficient products and practices. Thus, Columbia's proposed Rider RNA should be rejected and, to the extent that any of the proposed rate increase is found to be just and reasonable, it should be added to the volumetric charge - and not the fixed charge portion of the bill.

In section III, I will address Columbia's proposal to continue recovering universal service program costs only from residential customers. The benefits of universal service programs are not confined to the residential class and neither should the cost of such programs. In light of the Commission's recent Final CAP Policy Statement and Order,[2] I recommend that the Company be required to spread these public purposes costs equitably across all rate classes.

[2] 2019 Amendments to Policy Statement on Customer Assistance Programs, 52 Pa. Code § 69.261-69.267, Docket No. M-2019-3012599, Final Policy Statement and Order, at 80-97 -(order entered Nov. 5, 2019) ("Consistent with the discussion above, the Commission finds it appropriate to consider recovery of the costs of CAP costs from all ratepayer classes. **Utilities and stakeholders are advised to be prepared to address CAP cost recovery in utility-specific rate cases consistent with the understanding that the Commission will no longer routinely exempt non-residential classes from universal service obligations**." (emphasis added))(hereinafter Final CAP Policy Statement and Order).

Finally, in section IV, I will summarize the recommendations and proposals which I provided throughout my direct testimony.

Q: Please summarize the Company's requested rate increase as it applies to residential customers.

A: Columbia proposes to increase overall rates by approximately $100.4 million per year, or 17.54% over present revenues.[3] Of that amount, the Company proposes to generate approximately $55.2 million in additional revenue through an increase in residential rates.[4] Columbia's proposal would increase the average residential customer monthly bill from $87.57 to $103.19, an increase of $15.62 per month or approximately 17.84%.[5] Most of the impact of the proposed rate increase for residential customers comes from a substantial increase to the fixed monthly service charge – from $16.75 to $23.00, an increase of $6.25 or 37.3%.[6] Thus, homes using the least amount of gas will face the highest percentage increases, while homes using more gas will see a lower percentage increase. The percentage monthly increase ranges from approximately 13% for highest volume users to approximately 37% for the lowest volume users.[7]

Q: As a preliminary matter, do you support the Company's requested rate increase?

A: No. Now is not the time to raise rates for essential utility services, such as natural gas, that are critical to ensure that consumers are safe in their homes. As I will explain in greater detail below, the COVID-19 pandemic has thrust us into an unprecedented time of great

[3] CPA St. 1 at 6.

[4] Ex. 103, Sched. 8 at 1.

[5] Rate Filing Cover Letter at 2; see also Ex. 111, Sched. 6 at 1.

[6] CPA St. 3 at 35.

[7] Ex. 111, Sched. 6 at 1.

economic uncertainty – and are currently experiencing one of the greatest economic crises in the history of our country. While Pennsylvania continues to plod toward reopening its economy, the possibility remains that many businesses are unlikely to fully recover for the near future. As a result, the depth and breadth of Pennsylvania's unemployment rates – and resulting levels of poverty – is far from known or understood. That said, while it is tough to precisely predict the extent of the economic fall-out associated with the pandemic, it is clear that the pandemic will have deep and lasting impacts on our economy that cannot be accurately assessed or accounted for in the context of this rate proceeding.

As a foundational principle, I do not believe that rates are just and reasonable if they are not also reasonably affordable for those seeking service. Right now, given the far ranging economic uncertainty associated with the pandemic and its impact on poverty rates and rate affordability in Columbia's service territory and across the state,[8] it is impossible to reasonably assess whether consumers will be able afford the Company's natural gas service if its rates were to increase. Thus, until we can more precisely understand the economic impact of the pandemic on local communities and individuals, I do not believe it is appropriate for the Commission to approve *any* increase in rates. Rather, I recommend that the Commission deny Columbia's proposed rate request in its entirety.

Nevertheless, and notwithstanding this overarching recommendation, I will provide a number of recommendations below for how the requested rate increase could be mitigated for the Company's most economically vulnerable consumers. These recommendations apply regardless

[8] I discuss the impact of the pandemic on poverty rates at length in section I, below.

of whether any rate increase is ultimately approved, but are especially critical if the Commission decides to allow an increase in rates in the midst of the current pandemic and economic crisis.

I. RATE IMPACT ON LOW-INCOME HOUSEHOLDS

Q: How many customers in Columbia's service territory are considered to be low-income customers?

A: This is a difficult question to answer at this point in time due to the evolving economic considerations caused by the COVID-19 pandemic. The Company has provided data about its low-income customers; however, the economic landscape has and continues to change drastically as a result of the pandemic.

Pennsylvania's large public utilities track and assess their low-income customer population two ways: estimated low-income customers and confirmed low-income customers.[9] While the number of estimated and confirmed low-income customers in Columbia's service territory is sure to grow due to the economic impact of the COVID-19 pandemic, which I will discuss further, available data shows that the Company had a substantial number of low-income customers even before the crisis.

Columbia estimates that nearly one in four – 97,268 out of 404,910, or approximately 24% – of its residential customers are low-income customers.[10] This is Columbia's "estimated low-

[9] See Pa. PUC, BCS, 2018 Report on Universal Service Programs & Collections Performance, at 4 (Dec. 2019) (herein 2018 Universal Service Report).

[10] See CAUSE-PA to CPA I-6, I-25.

To be considered low-income, a household must have income which is at or below 150% of the federal poverty level (FPL). For context, a family of four with income at or below 150% FPL has a *maximum* gross annual income of $39,300 – or $3,275 per month. See US Dept. of Health and Human Services, HHS Poverty Guidelines for 2020, https://aspe.hhs.gov/poverty-guidelines.

income customer" count, which the Company calculates using county level census data applied according to the ratio of its customer count to the total population of each county, and then applies that ratio to the total number of low-income households in each county.[11]

Columbia also tracks "confirmed low-income customers."[12] As of May 2020, 68,534 of Columbia residential customers – approximately 17% – were classified as "confirmed low-income," meaning they either documented their income through program participation as low-income or who have reported to the Company that their income as below 150% FPL.[13]

Importantly, the estimated low-income customer figure (24%) presents a more accurate picture of Columbia's pre-pandemic low-income customer population. While both metrics show that a significant number of customers are low-income, the confirmed low-income customer count provides only a limited and circular assessment of the low-income population – counting only the number of customers who have already affirmatively obtained assistance or otherwise reported their income level to the Company. The estimated low-income customer count, however, provides a more realistic assessment of the number of low-income households served by Columbia by using verified census data and Columbia customer data. It is not likely that every single Columbia customer who has income at or below 150% FPL has informed the Company of this fact. It is much more likely that Columbia's customer demographics are reflective of the general population within the counties within the Company's service territory. Ultimately, regardless of the measure applied,

[11] See CAUSE-PA to Columbia I-6.

[12] See 2018 Universal Service Report at 5.

[13] CAUSE-PA to CPA I-3; See also CPA 2018 Rate Case, Docket No. R-2018-2647577, CAUSE-PA St. 1 Miller at 8, Append. B-4.

there are a substantial number of low-income customers (between 17% to 24%) in Columbia's service territory.

Unfortunately, I fear that the number of low-income households in Columbia's territory – and throughout the state – is drastically different now than it was at the beginning of the year. The numbers are changing by the day, and the scale of poverty in the coming months and years will largely depend on the duration and severity of the ongoing public health crisis. It will take time to get an accurate measure the actual increase in low-income customers due to the COVID-19 crisis, and is unlikely to be reflected in the Company's confirmed low-income customer count until well after the Commissions' emergency moratorium on terminations has been lifted.[14]

It is quite clear, however, that the number of low-income households in Columbia's service territory and throughout Pennsylvania will rise dramatically during or as a result of this crisis. At the outset of the crisis, Pennsylvania's unemployment claims rose from 15,439 to 378,900 in one week – the most of any state in the country – as nearly 5.8% of the state's labor force filed for benefits.[15] As of July 18, 2020, Pennsylvania's unemployment claims stood at a shocking 1,907,863 – representing approximately 15% of the state's total population.[16] As the crisis continues, the number of people who are out of work, or who see a reduction in available work or pay, will continue to grow. Unfortunately, it is unknown how long this crisis will last. Thus, while

[14] See Public Utility Service Termination Moratorium Proclamation of Disaster Emergency- COVID-19, Docket No. M-2020-3019244, Emergency Order (entered March 13, 2020).

[15] See Kris Maher and Eric Morath, Pennsylvania, With Most Jobless Claims in U.S., Could Foretell High Numbers Elsewhere, Wall Street Journal (March 27, 2020), available at https://www.wsj.com/articles/pennsylvania-with-most-jobless-claims-in-u-s-could-foretell-high-numbers-elsewhere-11585323969; see also Pa. Office of Unemployment Compensation, UC Claim Statistics, https://www.uc.pa.gov/COVID-19/Pages/UC-Claim-Statistics.aspx.

[16] Pa. Office of Unemployment Compensation, UC Claim Statistics, https://www.uc.pa.gov/COVID-19/Pages/UC-Claim-Statistics.aspx.

we know with certainty that the pandemic will force many more households into poverty, with models predicting that even a quick recovery will cause poverty levels consistent with the Great Recession, it is difficult to calculate just how much and for how long unemployment and poverty rates will rise.[17]

Q: How much income must a household earn each month to be considered low-income?

A: With some exceptions, most utility assistance programs require households to have income that is not greater than 150% of the federal poverty level (FPL) to qualify. The FPL is a measure of poverty based exclusively on the size of the household, but not the composition of the household (i.e., whether the household consists of adults or children) or geography. As a baseline, a family of four at 150% FPL has a gross annual income of just $39,300, while a family of four at 50% FPL has a gross annual income of just $13,100.[18] For context, a full time (40 hour/week) worker making minimum wage ($7.25/hour) has a gross annual income of $15,080, assuming no time off. This is not very much money, and is substantially less than a household needs to meet their basic expenses in any of the counties in Columbia's service territory.[19]

A benchmark often used to assess how much income a household needs to live without assistance in Pennsylvania is called the Self Sufficiency Standard. This is a tool that measures the

[17] Researchers at the Columbia University Center on Poverty and Social Science estimate that if unemployment rates rise to 30% - which Pennsylvania is fast approaching – the annual poverty rate in the United States will increase from 12.4% to 18.9%. Zachary Parolin & Christopher Wimer, Columbia Univ. Ctr. on Poverty & Social Policy, Forecasting Estimates of Poverty during the COVID-19 Crisis (April 16, 2020), https://www.povertycenter.columbia.edu/news-internal/coronavirus-forecasting-poverty-estimates. The researchers concluded that, "[e]ven with a quick recovery in employment rates after the summer, we project that the annual poverty rate will reach levels comparable to the Great Recession." Id.

[18] U.S. Dept. of Health and Human Services, 2020 U.S. Federal Poverty Guidelines, available at https://aspe.hhs.gov/2020-poverty-guidelines.

[19] Self Sufficiency Standard, http://www.selfsufficiencystandard.org/Pennsylvania.

income that a family must earn to meet their basic needs and consists of the combined cost of 6 basic needs – housing, child care, food, health care, transportation, and taxes – without the help of public subsidies.[20] Unlike the federal poverty level, which does not change based on geographic location or family composition, the Self Sufficiency Standard accounts for the varied costs of these six basic needs in different geographical areas and for differently aged household members.[21] For reference, the *average* Self Sufficiency Standard in Columbia's service territory for a family of four with two adults, one infant, and one preschooler is approximately $66,435 per year – nearly $30,000 more than a household with income at 150% FPL makes in a given year.[22]

Most of Columbia's confirmed low-income customers do not have income that is even close to these numbers. The average annual income for the Company's confirmed low-income customers is $11,238 and the average income for the Company's CAP customers is just $15,078.[23] These customers have far less than the amount needed to be self-sufficient and to live without financial assistance. Any increase in the cost of necessities, including the rates for natural gas for heating, cooking, and hot water, will result in increased unaffordability for low and moderate income households, and will likely result in a corresponding increased rate of uncollectible expenses and service termination.

[20] See PathWays PA, Overlooked and Undercounted 2019 Brief: Struggling to Make Ends Meet in Pennsylvania, available at: http://www.selfsufficiencystandard.org/Pennsylvania.

[21] See PathWays PA, Overlooked and Undercounted, How the Great Recession Impacted Household Self-Sufficiency in Pennsylvania, http://www.selfsufficiencystandard.org/sites/default/files/selfsuff/docs/PA2012.pdf.

[22] Average Self Sufficiency Standard of all 26 Pennsylvania counties served by CPA for four-person households that include two adults, one infant, and one preschooler. See 2020 Pennsylvania Sufficiency Standard, available at: http://www.selfsufficiencystandard.org/Pennsylvania;.

[23] CAUSE-PA to CPA I-13, I-14.

Note that these figures do not reflect any decrease in income for low-income customers from whom Columbia had already obtained income information prior to the COVID-19 crisis but who may have suffered decreased income due to the pandemic. Low-income workers are less likely to have paid time off, such as sick time, available.[24] Many are low wage and hourly workers and are employed in the service, hospitality, and retail sectors, which have been especially hard hit by the emergency closure of non-essential businesses.[25] While there have been a number of efforts to funnel resources and assistance to impacted households through various federal relief packages, it is yet unclear whether and to what extent these efforts will help to stave off the potential for deep, widespread poverty as a result of the pandemic.

Q: How would Columbia's proposed rate increase impact low-income households?

A: Low-income households are struggling now more than ever. Even in good times, low-income families struggle to make ends meet each month, and are often forced to choose between critical necessities. Any increase in costs for essential services, like natural gas, will severely impact low-income households – forcing many to make impossible trade-offs between paying for

[24] 92% of workers in the top quarter of earnings (meaning hourly wages greater than $32.21) have access to some form of paid sick leave, versus only 51% of workers earning wages in the lowest quarter ($13.80 or less). See Drew Desilver, As coronavirus spreads, which U.S. workers have paid sick leave – and which don't?, Pew Research Center, March 12, 2020, available at https://www.pewresearch.org/fact-tank/2020/03/12/as-coronavirus-spreads-which-u-s-workers-have-paid-sick-leave-and-which-dont/.

[25] See Martina Hund-Mehjean & Marcela Escobari, Brookings, Our Employment System has Failed Low-Wage Workers. How Can We Rebuild (April 28, 2020), https://www.brookings.edu/blog/up-front/2020/04/28/our-employment-system-is-failing-low-wage-workers-how-do-we-make-it-more-resilient/.

> [W]orkers who earn low wages and do not have employer-sponsored health care account for 22 percent or 32 million of the country's workforce. In a crisis, these workers are least attached to their employer and thus the most likely to be laid off or have their hours reduced. And nearly 40 percent of them, 12.3 million individuals, work in the hospitality and retail sectors, the two sectors most immediately impacted by COVID-19-related layoffs.

Id.; see also Stephanie Deluca et al., Johns Hopkins Univ. of Medicine, The Unequal Cost of Social Distancing, https://coronavirus.jhu.edu/from-our-experts/the-unequal-cost-of-social-distancing.

shelter, food, utilities, or other basic needs. Columbia's proposed *average* monthly increase of $15.62[26] - or $187.44 annually - is a substantial increase in basic living expenses even for many moderate income households. Again, for context, for a household of 4 with income at 150% FPL, this increase represents an additional 0.5% of their gross annual household income – and for a family of 4 at 50% FPL, this increase represents an additional 1.4% of their gross annual household income. For low-income households who already struggle to afford their monthly bills, the effects of the increase may profoundly impact their ability to connect, maintain, and afford natural gas service.

To further contextualize the impact of the proposed increase on low-income households, it is helpful to look at the relative energy burden (the percentage of income a household pays for energy costs) of low-income households. To be affordable, a household's total housing costs – *including utility costs* - should account for no more than 30% of the household's total income.[27] But across Pennsylvania, households with income at or below 150% FPL spend as much as 29% of their income on *energy costs alone*.[28] In comparison, BCS estimates that the energy burden of Pennsylvania's residential customers as a whole (exclusive of those enrolled in a Customer Assistance Program (CAP)) is roughly 4%.[29]

[26] Rate Filing Cover Letter at 2, See also Ex. 111, Sched. 6 at 1.

[27] US Dep't of Housing & Urban Development, Affordable Housing, available at https://www.hud.gov/program_offices/comm_planning/affordablehousing.

[28] See Fisher, Sheehan & Colton, The Home Energy Affordability Gap: Pennsylvania (April 2019), http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html.

[29] Energy Affordability for Low-income Customers, Docket No. M-201702587711, Order, at 8 (Jan. 17, 2019); see also Diana Hernandez, Energy Insecurity: A Framework for Understanding Energy, the Built Environment, and Health Among Vulnerable Populations in the Context of Climate Change, 103(4) Am. J. Pub. Health (2013), *available at* http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3673265/#bib20.

Even with bill assistance through CAP, many of Columbia's low-income consumers still face disproportionately high energy burdens – particularly the poorest customers with income at or below 50% FPL and those enrolled in the percentage of income payment plan.[30] In 2019, the energy burden for the Company's CAP customers ranged between a low of 2.92% to a high of 8.02%, but ranged from 5.24-8.02 for customers at or below 50% FPL.[31] The energy burdens for Percentage of Income Payment customers were also notably higher (ranging 7.64-8.02%) than customers enrolled in the average bill payments and percentage of bill payment plans (ranging 2.92-5.34%).[32] It is also important to consider that these energy burdens represent the percentage of income dedicated natural gas service only – ***not including the additional cost of electricity.***

Notably, CAP only reaches a small portion of the eligible population. As of May 2020, only 22,411 customers were enrolled in CAP[33] – this is just 32.7% of confirmed low-income customers[34] or 23% of estimated low-income customers[35]. This leaves between 67-77% of Columbia's low-income customers to bear the full impact of the proposed rate increase.

The overwhelming energy burden on low-income households makes it difficult to pay for other basic necessities such as housing, food, and medicine; threatens stable and continued employment and education; has substantial and long-term impacts on mental and physical health; creates serious risks to the household and the larger community; and negatively impacts the greater

[30] CAUSE-PA to CPA I-10. For context, a household of 4 at 50% FPL has an annual income no greater than $13,100. U.S. Dept. of Health and Human Services, 2020 U.S. Federal Poverty Guidelines, available at https://aspe.hhs.gov/2020-poverty-guidelines.

[31] Id.

[32] Id.

[33] CAUSE-PA to CPA I-4.

[34] See CAUSE-PA to CPA I-3 (CPA reports 68,534 confirmed low-income customers as of May 2020).

[35] See CAUSE-PA to CPA I-6 (CPA reports 97,268 estimated low-income).

economy.[36] According to the US Energy Information Administration, roughly 1 in 5 households in 2015 – when the economy was experiencing a relatively prosperous economic period – reported that they reduce or forego other critical necessities like food and medicine to afford their home energy costs, and more than 1 in 10 reported keeping their home at an unsafe or unhealthy temperature.[37] Even with financial assistance, low-income households are still unable to afford the cost of energy: According to a survey conducted by the National Energy Assistance Directors' Association, 72% of LIHEAP recipients reported that they forego other necessities to afford energy, and 26% reported keeping their home at unsafe or unhealthy temperatures.[38] Indeed, as recent research and data has continually showed, vulnerable low-income families simply cannot afford the cost of energy services.

Ultimately, an increase in rates for natural gas service such as the increase proposed here will necessarily result in increased unaffordability for vulnerable households, and is likely to result in a corresponding increase in uncollectible expenses and, in turn, involuntary payment-related terminations. These impacts can and do have a deep and lasting impact on the health and wellbeing of those in the household and the welfare of the community as a whole.[39] The impact of service termination on low-income households will be particularly profound if the pandemic persists – or

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[36] US EIA, Residential Energy Consumption Survey (2015), https://www.eia.gov/consumption/residential/reports/2015/energybills/; see also NEADA, 2018 National Energy Assistance Survey, at 17, 20 (Dec. 2018), http://neada.org/wp-content/uploads/2015/03/liheapsurvey2018.pdf (hereinafter NEADA Survey).

[37] US EIA, Residential Energy Consumption Survey (2015), https://www.eia.gov/consumption/residential/reports/2015/energybills/.

[38] NEADA Survey at 17, 20.

[39] See Id. When a family is unable to use their primary heating system, they often resort to dangerous, high usage, and high cost alternative heating methods such as electric space-heaters, electric stoves, and/or portable generators, which increases the risk of carbon monoxide poisoning and house fires – placing themselves and the greater community at risk of harm. See Nat'l Fire Protection Ass'n, Fire Analysis & Research Division, Home Fires Involving Heating Equipment, at 1 (Dec. 2018) (finding that space heaters cause 44% of all home heating related fires, and 86% of deaths caused by home heating related fires).

if Pennsylvania faces a resurgence of the COVID-19 virus in the winter heating months as some health experts predict.[40] Again, the uncertainties of the pandemic are difficult to accurately predict, lending further credence to my initial recommendation that no rate increase should be permitted until we can fully assess the economic impact of the virus on our communities.

Q: Is there other evidence that Columbia's low-income customers already struggle to afford and maintain natural gas service – even before any rate increase is approved?

A: Yes. There are strong indicators that service is already unaffordable. A disproportionate percentage of Columbia's payment troubled residential customers are low-income. In 2018, 58% of Columbia's payment troubled customers were confirmed low-income, and 56.6% of Columbia's payment arrangements were for confirmed low-income customers. Yet, as noted above, only approximately 24% of Columbia's residential customers are confirmed low-income. In other words, Columbia's confirmed low-income population accounts for roughly one-quarter of the residential population, but carries over half of the debt. These indicators demonstrate that Columbia's low-income consumers already struggle to pay for natural gas service, and will likely experience increased payment trouble if the proposed rate increase is approved.

Columbia's confirmed low-income customers are not only disproportionately payment troubled, they also carry a disproportionate percentage of customer debt. As of February 2020, 20.25% of confirmed low-income customers are in debt to Columbia, compared to just 6.47% of

[40] The Director of the Centers for Disease Control and Prevention recently warned of "a possibility that the assault of the virus on our nation next winter will actually be even more difficult than the one we just went through." Reuters, CDC Chief Warns Second COVID-19 Wave May be Worse, Arriving with Flu Season (April 21, 2020), https://www.reuters.com/article/us-health-coronavirus-usa-winter/cdc-chief-warns-second-covid-19-wave-may-be-worse-arriving-with-flu-season-idUSKCN2233E8

general residential customers.[41] Further, despite the fact that confirmed low-income customers only represent approximately 24% of residential ratepayers, they represent 52.7% of customers in debt and carry approximately 49% of the dollars owed.[42] Taken together, these numbers indicate that Columbia's low-income consumers already struggle to pay for natural gas service under the current rates. These struggles will only worsen if the proposed rate increase is approved without taking necessary measures to mitigate the impact of the increase on low-income households.

Q: Do you believe that there is an increased threat of termination for low-income customers as a result of the proposed rate increase?

A: Yes. Low-income customers already have a markedly higher rate of involuntary, payment-based termination compared to average residential customers. In 2018, Columbia's residential termination rate was 2.7%, compared to 9.3% for confirmed low-income customers.[43]

Enrollment in Columbia's Customer Assistance Plan (CAP) helps to reduce the termination rate for low-income households; however, as I address in further detail below, even those enrolled in CAP are still often unable to afford energy services. In 2019, 1,037 CAP customers were terminated for non-payment.[44] This equates to a roughly 5% CAP termination rate.[45] While lower than the 9.3% confirmed low-income customer termination rate, is still far higher than the 2.7% termination rate for all residential customers.

[41] CAUSE-PA to CPA I-18, Attach.

[42] Id.

[43] 2018 Universal Service Report at 14, 15.

[44] CAUSE-PA to CPA I-7.

[45] See CAUSE-PA to CPA I-4 (In December 2019, Columbia's total CAP enrollment was 20,350.).

Evidence further suggests that once disconnected, low-income customers are often unable to reconnect service, and may go for extensive periods of time before restoration. In 2018, Columbia terminated 6,314 confirmed low-income customers, but reconnected just 3,133.[46]

Q: How does the loss of natural gas service impact a household?

A: Loss of natural gas service can and does have a deep and lasting impact on the health and wellbeing of the entire household – as well as the community as a whole.

When a family is unable to use a primary heating system, they often resort to dangerous, high usage / high cost heating methods – such as electric space-heaters, electric stoves, and/or portable generators – which increases the risk of carbon monoxide poisoning and house fires.[47] The Commission has consistently documented this in its annual Cold Weather Survey. In 2019, Columbia reported that it knew of at least 811 households in its service territory that were without a central heating source in the wintertime due to service termination – 283 of these were using potentially unsafe alternative heating sources.[48] It is important to note that the annual Cold Weather Survey does not track customers who were terminated in years' past and were unable to restore service – it only tracks customers which were terminated in the year the survey is conducted. Thus, the number of individuals without an operational central heating system could very well be significantly higher.

[46] 2018 Universal Service Report at 13, 17.

[47] "Space heaters accounted for 33% of 2007-2011 reported home heating fires, 81% of home heating fire civilian deaths, 70% of home heating fire civilian injuries, and 51% of home heating fire direct property damage." Nat'l Fire Protection Ass'n, Fire Analysis & Research Division, Home Fires Involving Heating Equipment, at ix & 33 (Oct. 2013).

[48] Pa. PUC, 2018 & 2019 Cold Weather Survey Results – Gas, available at: http://www.puc.state.pa.us/General/publications_reports/pdf/Cold_Weather_Results_2019.pdf

Additionally, loss of essential utility service is also a common catalyst to homelessness,[49] which ultimately causes communities to expend an even greater level of resources to adequately address homelessness and protect the safety of its community members.

Q: Are customers who are enrolled in the Columbia's Customer Assistance Program (CAP) protected from the financial impact of the rate increase?

A: That answer depends on the type of CAP rate the customer receives and, apparently, who you ask. Columbia offers four primary CAP rates:[50]

1) **Percentage of income** - which is calculated based on a fixed percentage of the customer's income;
2) **Average of payments** - which is based on the average of payments made by the customer in the last 12 months prior to joining CAP;
3) **Flat rate** - which is set at 50% of budget billing; and
4) **Minimum payment** - which is set at $25.

In direct testimony, the Company indicates that:

> For rate design purposes, Columbia anticipates that current CAP customers will not receive an increase in their required payment, and thus the revenue increment that is assigned to CAP customers will be collected from other residential customers through Rider USP.[51]

[49] See Joint State Government Commission, General Assembly of the Commonwealth of Pennsylvania, Homelessness in Pennsylvania: Causes, Impacts, and Solutions: A Task Force and Advisory Committee Report (2016), http://jsg.legis.state.pa.us/resources/documents/ftp/documents/HR550%201%20page%20summary%204-6-2016.pdf.

[50] Currently, CAP customers with income between 0-110% FPL are billed at 7% of the household's monthly income; those with income between 101-150% FPL are billed at 9% of the household's monthly income; and those with income between 101-150% FPL are billed at 9% of the household's monthly income. See Columbia Gas of PA, Inc., Universal Service and Energy Conservation Plan (USECP), Docket No. M-2018-2645401, at 23 (revised Nov. 25, 2019) (hereinafter 2019-2023 USECP).

[51] CPA St. 3 at 35.

However, in response to discovery, the company indicates:

> The majority of CAP customers will experience no impact resulting from an increase in rates, as their monthly CAP payment is based on factors unrelated to rates or monthly bills. This includes customers on the Percent of Income, Average of Bills and Minimum payment plans. However, those customers whose monthly CAP payment is the "50% of budget payment option" may experience an increase after the next budget payment re-evaluation, which will occur in May 2021. At that time, any increase or decrease in bill factors, including usage, base rates, gas cost rates/supplier charges or customer charge, which result in a total bill increase or decrease, will impact their budget payment. that customers whose monthly CAP payment is the "50% of budget payment option" may experience an increase after the next budget payment re-evaluation, which will occur in May 2021.[52]

Actually, neither of these statements is quite accurate. A majority – 61.8% – of Columbia's CAP customers are billed at the 50% of budget payment option and will be charged half (50%) of any approved increase after the next budget payment re-evaluation.[53] Only the remaining 38.2% of Columbia's current CAP customers (those not billed at the percentage of bill option) would be insulated from the financial impact of a rate increase.[54] Thus, a majority of CAP customers would be impacted by the proposed increase.

Q: Are any other CAP customer groups likely to experience higher costs because of the rate increase?

A: Yes. The proposed rate increase will impact the CAP bills of customers who enroll in the CAP average payment plan *after* the rate increase takes effect. The average payment plan charges CAP customers the average of payments made for the last 12 months prior to joining CAP.[55] After the rate increase takes effect, those applying for CAP are will likely have made higher payments

[52] CAUSE-PA to CPA I-1.

[53] CAUSE-PA to CPA I-2, Attach.

[54] CAUSE-PA to CPA I-2, Attach.

[55] 2019-2023 USECP at 23.

toward their increased bill over the twelve months prior to enrolling. Thus, their historical averages will be higher, as will their assessed CAP payment.

Q: Are all low-income customers enrolled in CAP?

A: No. Less than a third of Columbia's confirmed low-income customers are enrolled in CAP. As of May 2020, only 22,411 Columbia customers were enrolled in CAP.[56] This represents just 32.7% of Columbia's confirmed low-income customers – or just 23% of its total estimated low-income customers.[57] In other words, between 67-77% of Columbia's low-income customers are not enrolled in CAP, and will experience the full, unmitigated financial impact of the proposed rate increase.

Columbia's CAP participation rate has shown no measurable improvement in the last decade. Table 1 shows the CAP enrollment rate for Columbia compared with the NGDC average in the last 10 Universal Service Reports:

[56] CAUSE-PA to CPA I-4.

[57] Id.; see also CAUSE-PA to CPA I-3 (Columbia reports 68,534 confirmed low-income customers), I-6 (Columbia reports 97,268 estimated low-income customers).

TABLE 1: CAP Participation Rate[58]

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Columbia	39%	36%	34%	33%	30%	30%	30%	31%	29.9%	32.8%	34.9%
NGDC Avg.	43%	40%	41%	40%	37%	36%	37%	35%	34%	34%	45%

It is notable that, despite the emergence of an unprecedented economic crisis, and dramatic increase in Pennsylvania unemployment numbers, Columbia's CAP participation has remained relatively unchanged. In December 2019, the Company's CAP participation rate was 30.4%.[59] Table 2 shows the CAP participation rate so far this year.

TABLE 2: 2020 CAP Participation Rate[60]

Jan.	Feb.	Mar.	Apr.	May
35.5%	30%	35.4%	34.1%	32.7%

Almost two months into the statewide shutdown and unemployment crisis, Columbia's CAP participation rate has remained relatively unaffected – and still has significant room to grow to meet *known* and *demonstrated* need to assist with payment trouble.

I believe that improving CAP participation will help the Company reduce its number of payment troubled low-income customers, as well as the substantial amount of debt that is carried

[58] The CAP enrollment rate is the total of CAP customers as of December 31 of the given year, divided by the number of confirmed low-income customers. CAP enrollment rates were collected from the Commission's Universal Service Programs & Collections Performance Reports (hereinafter Universal Service Reports). The last publicly available CAP enrollment data was released in December 2019 for the 2018 calendar year.

See 2018 Universal Service Report at 52; 2017 Universal Service Report at 51; 2016 Universal Service Report at 50; 2015 Universal Service Report at 42; 2014 Universal Service Report at 42; 2013 Universal Service Report at 37; 2011 Universal Service Report at 40; 2009 Universal Service Report at 39; 2008 Universal Service Report at 38. Note that percentages were rounded to the nearest whole number.

[59] See CAUSE-PA to CPA, I-3, I-4 (CPA reports 66,833 confirmed low-income and 20,350 CAP customers as of Dec. 2019.).

[60] See CAUSE-PA to CPA I-3, I-4.

by low-income customers. Regardless of whether any rate increase is ultimately approved, Columbia must be required to measurably improve its CAP enrollment rates to reach a greater number of households in need of assistance to access and maintain safe and affordable natural gas services. This is especially true if the Company's proposed rate increase is approved, as even more households will likely be unable to keep up with increasing rates. Specifically, the Company should be required to develop a plan designed to achieve a minimum 50% CAP enrollment rate by 2025. Columbia should include a range of tactics in its plan, such as increased outreach and education; improved incentive structures or other adjustments to its contract with program administrators; streamlined application requirements; improved recertification processes; and/or increased coordination with electric utility CAP enrollment. Rather than proscribe the specific methods for improved enrollment through this proceeding, the Commission should require Columbia to work with its stakeholders to identify the most workable solutions to achieve measurable improvements in CAP enrollment. Columbia should be required to report the Commission annually to help benchmark progress and adjust efforts to ensure it is on track to achieve its enrollment goals, and Columbia's success or failure to meet its established CAP enrollment targets should be explicitly considered as part of any future rate increase requests.

Q: In addition to improved CAP enrollment, are there other steps Columbia can take to help ensure that low-income customers are better able to afford natural gas service and, in turn, are more appropriately shielded from the financial impact of a rate increase?

A: Yes. In addition to improving CAP enrollment rates, I believe the single most important step the Company could take to address current unaffordability and mitigate the impact of a rate case would be to reduce its percentage of income CAP rate. As I explained earlier, the energy burdens for Percentage of Income Payment customers are notably higher than customers enrolled

in the average bill payments and percentage of bill payment plans.[61] These overwhelming energy burdens make it more difficult to afford both gas service and other basic necessities, and can have negative effects on employment, education, and mental and physical health.[62] This can, in turn, lead to serious risks to the household and the larger community; and negatively impacts the whole economy.[63]

Q: Has the Commission provided any guidance on this issue?

A: Yes. The Commission recently adopted a revised CAP Policy Statement to reflect the maximum affordable energy burden standards recently adopted by the Commission in its revised CAP Policy Statement.[64] As the Commission recently concluded, to be considered affordable, the percentage of income required to be paid by CAP customers should not exceed 4% for customers with income at or below 50% FPL and 6% for customers with income between 51-150% FPL.[65] I recommend that Columbia adopt these reduced energy burdens for its CAP percentage of income payment plan.

[61] CAUSE-PA to CPA I-10 (Percentage of Income Payment energy burdens ranging 7.64-8.02%, versus other CAP options ranging 2.92-5.34%).

[62] US EIA, Residential Energy Consumption Survey (2015), https://www.eia.gov/consumption/residential/reports/2015/energybills/; see also NEADA, 2018 National Energy Assistance Survey, at 17, 20 (Dec. 2018), http://neada.org/wp-content/uploads/2015/03/liheapsurvey2018.pdf (hereinafter NEADA Survey).

[63] Id.

[64] Final CAP Policy Statement and Order at 4.

[65] 52 Pa. Code § 69.265(2)(i)(B); see also Final CAP Policy Statement and Order at 4.

Q: What is the projected residential bill impact of your recommendation to reduce applicable CAP energy burdens for Columbia's percentage of income payment plan customers?

A: Assuming Columbia continues to recover the cost of CAP solely from residential customers – (which I do not recommend)[66] – the monthly increase in residential bills as a result of my recommendation to reduce the Company's maximum CAP energy burden standards would be approximately $0.22 per customer per month – or $2.67 per year.

Columbia projects that adopting the revised energy burdens in the CAP Policy Statement would increase its annual CAP costs by $1,019,172.[67] Columbia had 404,910 residential gas and 23,212 CAP customers as of customers as of May 31-June 1, 2020.[68] Thus, the estimated increase of $1,019,172 in CAP costs would be spread across approximately 381,698 non-CAP residential customers, increasing each bill by approximately $2.67 per year – or $0.22 per month.

I believe this is a small price to pay in return for the host of far-ranging individual and societal benefits associated with improved energy affordability. Further, as I will explain in more detail later in my testimony, the impact of this cost on residential customers could be mitigated by equitably distributing the cost of Columbia's Universal Service Programs across all customer classes, rather than placing the burden of addressing energy poverty solely on residential customers.

[66] As explained below, CPA should be required to recover universal service costs from all customer classes, as the need for universal service programs is caused by socio-economic factors (namely, poverty) created by society as a whole – not other residential customers.

[67] See CAUSE-PA to CPA I-24.

[68] CAUSE-PA to CPA I-25, I-26.

Q: Does LIHEAP mitigate the harm of the proposed rate increase on low-income households?

A: No. As a preliminary matter, relative to estimated need, there are few Columbia customers that receive LIHEAP assistance. In the 2018-2019 the number of Columbia's customers receiving LIHEAP cash grants was 15,879 – or about 16.3% of the estimated eligible low-income population.[69] In the 2019-2020 LIHEAP year, 14,311 Columbia customers received a LIHEAP cash grant – representing approximately 14.7% of Columbia's estimated low-income population.[70]

LIHEAP is a critically important program and provides life-sustaining assistance to those in need, but the program is intended to provide supplemental energy assistance – not to mitigate the financial impact of a rate increase. As proposed, Columbia's residential rates would increase by an *average* of $187.44 per year.[71] In comparison, the average cash grant amount for natural gas customers in the 2019-2020 LIHEAP program year was $284.[72] In other words, the proposed rate increase will consume **well more than half** – approximately 66% – of the average LIHEAP cash grant, eclipsing a significant portion of the benefit received by low-income customers through the LIHEAP program.

[69] CAUSE-PA to CPA I-5; see also CAUSE-PA to CPA I-6, Attach. (reporting 97,268 estimated low-income customers).

[70] Id.; see also CAUSE-PA to CPA I-6, Attach.

[71] Rate Filing Cover Letter at 2, See also Ex. 111, Sched. 6 at 1.

[72] Appendix C, Pa. Dep't of Human Services, Energy Assistance Summary (EASUM), at 68 of 136 (report generated May 9, 2020).

Q: Will Columbia's Low-Income Usage Reduction Program (LIURP) program sufficiently mitigate the financial impact of the proposed rate increase on low-income households?

A: I believe that Columbia's LIURP program can help mitigate the impact of the increase on low-income high-use households. However, many high usage, low-income households are unable to access LIURP services due to health and safety issues in the home. Unfortunately, this means that some of the most profoundly vulnerable low-income consumers – those with already high energy costs who live in poor and inefficient housing stock – are likely to face tremendous and unmitigated financial hardship as a result of Columbia's proposed rate increase. As a condition to any approved rate increase, I believe it is important for Columbia to take steps to serve additional households through its health and safety pilot program.

Columbia's Health and Safety Pilot serves high-usage CAP customer homes unable to be weatherized without first correcting existing health and safety issues in the home.[73] The pilot is open to homeowners who are enrolled in CAP and have high usage and high CAP credit shortfalls, and who are unable to obtain LIURP weatherization due to health and safety issues, such as knob and tube wiring, presence of moisture, mold, or mildew.[74] Through the pilot, Columbia will remediate the health and safety issues if will result in comprehensive measure installation and expected usage reductions greater than 18%.[75] The program began in January 2020 and will run

[73] Columbia Gas of Pennsylvania, Inc. Universal Service and Energy Conservation Plan for 2019-2021, Order, Docket No. M-2018-2645401, P-2019-3007876, at 27-28 (order entered Aug. 8, 2019) (hereinafter "Aug. 2019 USECP Order").

[74] 2019-2023 USECP at 19.

[75] Id.

through December 2022.[76] Columbia's budget for the program is $200,000 per year, with which it projects it can serve 30 homes per year.

When dangerous issues are present in a home, it is to everyone's benefit that such matters are addressed timely before further damages or adverse conditions evolve.[77] Homes that cannot be weatherized because of health and safety concerns are dangerous to live in and dangerous to communities.[78] By removing barriers to LIURP participation created by health and safety issues with the home, Columbia would not only improve the ability of low-income households to access LIURP services and reduce uncontrolled household energy costs, but also help improve the lives of its customers and protect the community.

Columbia proposed the Health and Safety Pilot Program after conducting an evaluation of the costs of LIURP jobs that are deferred due to health and safety issues to determine whether it was possible to increase the Health and Safety budget at a job level while still maintaining cost effectiveness for the overall program.[79] The evaluator determined that 47% of Columbia's LIURP jobs presented health and safety issues and that these issues prevented 120 jobs from needed weatherization.[80] The evaluator recommended that, depending on the job characteristics, the Company could spend a significant amount of funds on remediating health and safety issues and

[76] 2019-2023 USECP at 17.

[77] Aug 2019 USECP Order at 29.

[78] See, e.g., Pamela M. Blumenthal & John R. McGinty, Urban Institute, Housing Policy Levers to Promote Economic Mobility, (Oct. 2015) ("Housing-based triggers cause up to 40 percent of children's asthma episodes. According to one study, moving an asthmatic child from poor-quality housing into a green, healthy home reduces asthma-related doctor visits by 66 percent, keeping the child in school and the parent at work. Poor-quality housing also correlates with child and adolescent emotional and behavioral problems, adolescent academic skills, and early developmental delays and physical health.") (internal citation omitted).

[79] See 2019-2023 USECP, Append. A.

[80] Id. at 38.

still achieve cost-effective savings, given the high level of opportunities for savings found in these homes.[81] The evaluator's report explained that this approach would yield high energy savings, reduced costs for ratepayers who are contributing to the costs of CAP, and improve the ability of CAP customers to afford their full bill when/if they exit the program.[82]

As stated above, as currently designed and budgeted, the pilot can only serve approximately 30 households per year. However, as reflected in the evaluation, the need for this service is far greater. It is vitally important – especially in light of the proposed rate increase – that otherwise eligible households be able to access usage reduction and energy efficiency services through LIURP, which is a critical universal service program that improves bill affordability and reduces arrearages and termination rates over the long term.[83] LIURP participants achieve substantial bill savings and energy usage reduction, which is critical for low-income households.[84] Importantly in this context, LIURP can help mitigate the impact of the proposed increase on high-use, low-income customers who would likely suffer a disproportionate impact from the rate increase (due to their high usage) and be least likely to absorb it (do to their low income). However, many customers are prevented from obtaining this valuable service due to health and safety issues in their home.

By extending the Health and Safety Pilot to serve a greater number of households, Columbia can help protect its customers and the community from the dangers of these household health and safety issues, while at the same time improving the availability of usage reduction services for high usage customers who would not otherwise be eligible for the program. This will,

[81] Id.

[82] Id.

[83] 52 Pa. Code § 58.1; 2020-2025 USECP at 25.

[84] 2018 Universal Service Report at 50-51.

in turn, help these customers to help mitigate the impact of the rate increase by reducing their bills over the long term.

For these reasons, as a condition to any approved rate increase – I recommend that Columbia increase its Health and Safety Pilot funding by $600,000. Columbia should likewise expand the initial term of its pilot to 2023, consistent with the extension of its currently approved USECP.[85] Importantly, this funding should be in addition to and not be carved from the existing LIURP budget. At this level of funding, Columbia could serve an additional 90 households per year that would otherwise be deferred from critical usage reduction and energy efficiency services as a result of health and safety issues in the home. This would provide an adequate level of funding to more fully serve the need identified in the report based on Columbia's 2017 annual health and safety deferral figures.[86]

II. RATE DESIGN

Q: Please describe Columbia's residential rate design proposal.

A: Columbia seeks to increase its fixed monthly residential customer charge from $16.75 to $23.00, an increase of $6.25 or 37.3%.[87]

Q: How would Columbia's proposed rate design impact low-income households?

A: This level of increase to the fixed charge will undermine the ability for consumers to control costs through energy efficiency, conservation, and consumption reduction, which is

[85] See Universal Service and Energy Conservation Plan (USECP) Filing Schedule and Independent Evaluation Filing Schedule, Order, Docket No. M-2019-3012601 (Oct. 3, 2019) (extending the current three year USECP review schedule to a five year USECP review schedule).

[86] 2019-2023 USECP, Append. A at 38.

[87] CPA St. 3 at 35.

particularly problematic for low-income customers. These customers already struggle to pay for natural gas service, and rely on the ability to offset high bills through careful conservation and usage reduction. Regardless of the level of household usage, any increase to the fixed charge prevents customers from exercising the ability to use conservation measures to mitigate that portion of the rate increase.

Q: Would Columbia's proposed increase to the fixed charge affect the Company's LIURP program?

A: Yes. Columbia's proposal undermines the explicit goals of the Low-Income Usage Reduction Program (LIURP). The Commission's LIURP regulations explicitly provide that the program is intended to help low-income customers to reduce their *bills* and, in turn, to "decrease the incidence and risk of customer payment delinquencies and the attendant utility costs associated with uncollectible accounts expense, collection costs and arrearage carrying costs."[88] By reducing the amount of bill reduction that can be obtained through LIURP measures, the proposed increase to the fixed charge threatens the continued effectiveness of ratepayer investments intended to reduce energy consumption, delinquencies, collections, and uncollectible costs. The explicit goals of the program will be more difficult to achieve as the fixed portion of the bill is increased.

LIURP is effective at achieving these goals and producing meaningful average bill savings. In 2016, the last year for which full data is available, LIURP saved participants an average of $211

[88] 52 Pa. Code § 58.1 ("The programs are intended to assist low-income customers conserve energy and reduce residential energy bills. The reduction in energy bills should decrease the incidence and risk of customer payment delinquencies and the attendant utility costs associated with uncollectible accounts expense, collection costs and arrearage carrying costs.").

per year – or $17.58 per month.[89] Consumption savings for homes receiving weatherization through Columbia's LIURP range between an average of 21-24%.[90] The ability to save money through energy efficiency is tied directly to a bill structure that bases costs on throughput. But as more residential customer costs are shifted to the fixed charge, the achievable bill savings – and the corresponding impact on bill payment behavior – will erode.

The current customer charge ($16.75) makes up 19.1% of the current average residential bill ($87.57).[91] If the proposed fixed charge is approved at $23.00, it would equal 26.2% of the current average residential bill ($87.57) – or 22.3% of the average bill if the rate increase is approved as requested ($103.19).[92] In other words, if the proposed increase in the fixed customer charge is approved, Columbia customers will lose the ability to control (on average) approximately 3.2% of their monthly bill through energy conservation and consumption reduction efforts – undermining the effectiveness of LIURP to achieve meaningful bill savings for low-income consumers.

This is even more critical for households with income above 150% FPL but less than 200% FPL who are ineligible for CAP or LIHEAP, but are eligible for energy efficiency and conservation services through LIURP or the federal Weatherization Assistance Program (WAP) – both of which have income guidelines of up to 200% FPL. It is critical that these households retain the ability to

[89] 2018 Universal Service Report at 51 (Estimated annual bill reductions are based on the average of the public utility results from each category of LIURP jobs completed in the program year, evaluated in following year, and reported in the year after that.).

[90] CPA 2017 Impact Evaluation of Universal Service and Energy Conservation Programs (Sept. 1, 2017) at 51.

[91] See Rate Filing Cover Letter at 2; see also Ex. 111, Sched. 6 at 1; CPA St. 3 at 35.

[92] See Rate Filing Cover Letter at 2; see also Ex. 111, Sched. 6 at 1; CPA St. 3 at 35.

reduce their monthly energy costs through adoption of comprehensive energy efficiency and conservation programming.

Given low-income households are disproportionately payment troubled, and often lack the ability to control usage due to poor housing stock and older, less efficient appliances,[93] it is critical that they continue to have access to effective conservation tools capable of producing meaningful and lasting bill reductions. Of course, in addition to undermining the effectiveness of millions of dollars in LIURP investments, Columbia's high fixed charge proposal will also undermine the millions of ratepayer dollars that the Company is authorized to invest in energy efficiency through its voluntary Energy Efficiency and Conservation Program Plan.

Q: Proponents of a higher fixed charge argue that the pricing structure is beneficial to customers because the rates are easier to understand and provide enhanced predictability. How do you respond?

A: It may be the case that shifting cost recovery from a volumetric-based rate to a fixed charge will produce a more predictable bill because there is no calculation required to assess a fixed charge. However, it is unlikely that overwhelmed, time-strapped households who are struggling to pay their bills readily scrutinize their bills for this level of detail. Nonetheless, a more predictable bill does not benefit low-income customers if it remains *unaffordable*. While shifting cost recovery to a volumetric charge may require a more intricate calculation, it should be easy for customers to understand that lower usage equals lower bills.

[93] See ACEEE, Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low-income and Underserved Communities (April 2016), https://www.aceee.org/sites/default/files/publications/researchreports/u1602.pdf.

Q: Do you have any recommendations that could help mitigate the effect of the proposed rate design on low-income households?

A: Yes. Columbia's fixed monthly customer charges should not be increased. To the extent any increase in the Company's residential distribution rate is approved, it should be applied to the volumetric charge. This would protect the ability of low-income households to lower their utility costs by reducing consumption and would preserve the effectiveness of the LIURP program at reducing customer bills and improving payment behavior.

Q: Are there any other aspects of Columbia's proposed rate structure that you would like to address?

A: Yes. Columbia has proposed a Revenue Normalization Adjustment Rider (Rider RNA), which is designed to "break the link" between residential non-gas revenue received by the Company and gas consumed by non-CAP residential customers.[94] The RNA proposed by Columbia provides benchmark distribution revenue levels regardless of changes in customers' actual usage levels and would adjust actual non-gas distribution revenue for the non-CAP residential customer class.[95] Essentially, Rider RNA would allow Columbia to collect its revenue on a per customer basis – rather than a per usage basis.[96]

Q: Do you support Columbia's Rider RNA proposal?

A: No. I believe that Columbia's Rider RNA should be rejected. For the same reasons discussed at length above with regard to the fixed charge, I oppose implementation of Columbia's

[94] CPA St. 3 at 19-20.

[95] Id.

[96] Id.

Rider RNA. In short, and without unnecessarily repeating my previous arguments, recovering revenue on a per customer basis, rather than a usage basis, strips low-income households of the ability to control their bill through usage reduction and conservation efforts, and undermines the effectiveness of the Low-income Usage Reduction Program at reducing low-income customer bills. As such, the proposed Rider RNA will potentially have a disproportionately negative impact on low-income consumers.

Columbia asserts that, because the revenue adjustment is applied in the following year, the Rider RNA will allow customers to "experience any benefit from controlling their usage and conserving."[97] This statement is misleading, as would be any purported "experience" of the benefit of conservation. While it may appear to the consumer that they have successfully reduced their energy costs over the short term, the practical effect of the Rider RNA will be to charge the consumer the difference on the back end – six months to a year after the consumer "experiences" the benefit of energy conservation efforts. This is inappropriate and undermines a consumer's efforts at conservation or through energy efficiency investments after-the-fact. As such, I believe it should be disallowed.

While Columbia has proposed to exclude CAP customers from Rider RNA,[98] this does not remediate my concern that Rider RNA will negatively impact low-income consumers and will undermine the effectiveness of LIURP at reducing customer bills. As I have previously explained, roughly 65-70% of Columbia's confirmed low-income customers are not enrolled in CAP.[99] These consumers will not be shielded from the impact of Rider RNA, and – as addressed above - it is not

[97] Id. at 28.

[98] Id. at 19-20.

[99] See CAUSE-PA to CPA I-3, I-4.

practical to conclude that these consumers will simply be able to enroll in CAP to avoid the Rider RNA.

Q: If Rider RNA were approved, do you have any recommendations to mitigate the impact on low-income customers?

A: Yes. If Rider RNA is ultimately approved, Columbia should be required to exempt all confirmed low-income customers from the charge.

III. ALLOCATION OF UNIVERSAL SERVICE PROGRAM COSTS

Q: How has Columbia proposed to allocate the cost of its Universal Service Programs?

A: Columbia has proposed to continue to recover the cost of its Universal Service Programs entirely from the residential class.[100]

Q: Has the Commission given any recent directives on this issue?

A: Yes. I am advised by counsel that, in its recent Final CAP Policy Statement and Order, the Commission amended the CAP Policy Statement to address recovery of CAP costs.[101] In its Order, the Commission indicated that utilities should be prepared to address cross-class recovery of CAP costs in future rate case filings.[102] I understand from counsel that Commission did not order utilities to propose a *specific* allocation, but explicitly indicated that it is appropriate to consider recovery of the costs of CAP costs from all ratepayer classes.[103] The Commission directed that utilities and stakeholders address CAP cost recovery in utility-specific rate cases and stated that "the

[100] CPA St. 11 at 14.

[101] Final CAP Policy Statement and Order at 97; see also 52 Pa. Code §§ 69.625(1), 69.266(b).

[102] Final CAP Policy Statement and Order at 7.

[103] Id.

Commission will no longer routinely exempt non-residential classes from universal service obligations."[104]

To be clear, in noting this Commission order, I am not arguing a legal position on universal service cost recovery. Rather, my testimony on this issue is focused on the policy reasons why cross-class recovery of universal service program costs is appropriate, as I will explain in detail below.

Q: Should Columbia propose a different method of allocating the cost of its Universal Service Program?

A: Yes. In my view, it is not appropriate to recover the costs of universal service programs that address poverty from the residential class alone. Energy insecurity impacts all customer classes (industry, business, commerce, educational institutions, hospitals, local and state governments, and other residential consumers) in specific and identifiable ways. The responsibility to provide universal access to life-sustaining utility service should be shared by all utility consumers. Poverty is a broad societal problem, impacting all customers and customer classes and requiring a collective, societal solution. While the most *direct* benefits of universal service programs are derived by program participants, who by definition are *part of* the residential customer class, there are a multitude of societal benefits which inure to non-residential ratepayers that should not be ignored. As a public good, the cost of ensuring affordable access to very basic human needs should be borne by all those who enjoy the benefits of the public utility.

[104] Id.

Currently, universal service costs are allocated exclusively to the residential class, but nonresidential customers benefit from the programs in real and identifiable ways. Indeed, many universal service program participants are employed[105] – yet their employers do not pay a living wage that is adequate to afford basic household needs. Many others are retired Seniors that do not receive enough in Social Security or retirement benefits to afford basic life necessities.[106] In 2019, approximately 70% of income sources reported by Columbia's CAP customers came from either present employment or retirement, yet the reporting customers could not afford basic living expenses without assistance.[107] Moreover, low-income customers faced with energy insecurity often struggle to cope with heightened levels of stress, anxiety, and depression, and must take time away from work to arrange payments, locate or apply for assistance programs, and arrange for reconnection – all of which can significantly undermine worker productivity and increase employee turn-over.[108] Thus, providing energy security through universal service programs benefits businesses by filling the gap between what employers are able to pay and the amount employees need to afford energy.

The toll of poverty extends to nearly every aspect of our economy. Childhood poverty costs the U.S. over $1 trillion per year, representing 5.4% of the gross domestic product due to loss of economic productivity, increased health and crime costs, and increased costs as a result of child

[105] 2018 Universal Service Report at 45.

[106] Id.

[107] See OCA to CPA IV-1, Attach. C at 5 (CPA collected 29,352 source of income datapoints from CAP customers; 10,485 reported employment income; 10,112 reported pension/retirement income.).

[108] Diana Hernadez, Understanding 'energy insecurity' and why it matters to health, Social Science & Medicine, Volume 167, October 2016, available at: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5114037/ ; See also Ariel Drebohl & Lauren Ross, ACEEE, Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low-income and Underserved Communities, at 13 (April 2016), http://aceee.org/research-report/u1602.

homelessness and maltreatment.[109] It is estimated that for every dollar spent on reducing childhood poverty, the country would save at least seven dollars due to the economic costs of poverty on our communities.[110] Energy insecurity is a pervasive and often overlooked problem for low-income families with children, which leads to coping strategies that can compromise the quality of the home environment and have negative health consequences.[111] Ensuring energy security for vulnerable households benefits the entire community by improving economic productivity and protecting the lives and health of children and families.

The effects of poverty on our healthcare system are especially profound and of particular concern due to the current pandemic. COVID-19 has undeniably gripped all of our communities. But data is emerging to show that the health impact and resulting loss of life is even more profound in low-income and minority communities.[112] Low-income and minority communities are more likely to live near polluting industries, more likely to live in homes with mold and ventilation problems, and more likely to lack access to adequate health care – all of which are attributed to poorer health outcomes related to COVID-19 exposure. [113] Energy insecurity is associated with

[109] Michael McLaughlin, Mark R Rank, Estimating the Economic Cost of Childhood Poverty in the United States, Social Work Research, Volume 42, Issue 2, at 73-83 (June 2018), available at https://academic.oup.com/swr/article-abstract/42/2/73/4956930?redirectedFrom=fulltext

[110] Id.

[111] Diana Hernández, Yumiko Aratani, Yang Jiang, Energy Insecurity among Families with Children, National Center for Children in Poverty, January 2014, at 3, available at: http://www.nccp.org/publications/pub_1086.html

[112] Liz Szabo and Hannah Recht, The other COVID-19 risk factors: How race, income, ZIP code can influence life and death, USA Today, April 22, 2020, available at: https://www.usatoday.com/story/news/health/2020/04/22/how-coronavirus-impacts-certain-races-income-brackets-neighborhoods/3004136001/ ; see also Vanessa Williams, Disproportionately black counties account for over half of coronavirus cases in the U.S. and nearly 60% of deaths, study finds, Washington Post, May 6, 2020, available at: https://www.washingtonpost.com/nation/2020/05/06/study-finds-that-disproportionately-black-counties-account-more-than-half-covid-19-cases-us-nearly-60-percent-deaths/ .

[113] Xiao Wu & Rachel C. Nethery, Dep't of Biostatistics, Harvard TH Chan School of Public Health, Exposure to Air Pollution and COVID-19 Mortality in the United States (April 5, 2020), https://projects.iq.harvard.edu/files/covid-pm/files/pm_and_covid_mortality.pdf; see also Rachel Frazin, Experts See Worrisome Link Between Coronavirus, Pollution, The Hill (April 12, 2020), https://thehill.com/policy/energy-environment/492314-experts-see-worrisome-link-between-coronavirus-pollution; Samantha Artiga, Rachel Garfield, Kendal Orgera, Kaiser Family Foundation, Communities of Color at Higher Risk for Health and Economic

poor respiratory outcomes including asthma and pneumonia, likely due to dampness, mold, and cold temperatures that can aggravate respiratory ailments.[114] The economic impact of COVID-19 is likewise more profound for low-income and minority communities.[115] Comprehensive energy affordability programming, such as CAP and LIURP, can help alleviate the burdens that energy poverty creates on our healthcare system, providing broad benefits to all utility consumers and our economy overall.

Providing an affordable bill to low-income consumers comes at a cost, and right now that cost is borne solely by other residential ratepayers. While it is true that residential consumers may fall victim to energy poverty – as we are seeing on an alarming scale as a result of the pandemic – residential consumers do not *cause* energy poverty and should not alone shoulder the cost of the solution. The impact of universal service program costs on residential ratepayers can and should be mitigated by permitting these costs to be appropriately and equitably recovered from every customer class – rather than requiring the residential class to bear the entire burden of addressing energy poverty in our state. Appropriate cost-sharing for these critical public purpose programs would help alleviate the financial impact on residential customers while providing more affordable

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Challenges Due to COVID-19 (April 7, 2020), https://www.kff.org/disparities-policy/issue-brief/communities-of-color-at-higher-risk-for-health-and-economic-challenges-due-to-covid-19/.

[114] Diana Hernández, Eva Laura Siegel, Is Energy Insecurity Making Us Sick?, Public Health Post, July 25, 2019, available at: https://www.publichealthpost.org/research/is-energy-insecurity-making-us-sick/ ; See also Diana Hernadez, Understanding 'energy insecurity' and why it matters to health, Social Science & Medicine, Volume 167, October 2016, available at: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5114037/ .

[116] Roger D. Colton, Best Practices: Low-income Rate Affordability Programs (Nov. 2007), http://www.fsconline.com/downloads/Papers/2007%2011%20BestPractice_RateAffordability.pdf ("With the exception of Pennsylvania, whose utility commission has chosen to limit cost recovery exclusively to the residential class, low-income rate affordability programs recover their costs from all customer classes."); see, e.g., 4 CCR 723-3, § 3412(g) (Colorado); Ohio Rev. Code § 4928.52; NJ Rev. Stat. § 48:3-60; Amendments to Consumer Protections Standards for Electric and Gas Transmission and Distribution Utilities (Chapter 815) and Statewide Low-income Assistance Plan (Chapter 314), No. 2013-00228, Order (Me P.U.C. July 17, 2013); Re Statewide Low-Income Electric Assistance Program, 87 NH PUC 349, 218 P.U.R.4th 442 (N.H. PUC 2002); Order Adopting Low-income Program Modifications and Directing Utility Filings, NY Pub. Service Comm'n Docket No. 14-M-0565 (May 20, 2016); 2015 ORS § 757.612(7); Re Investigation into Percentage of Income Payment Program, No. 16-254, Order (Or. P.U.C. July 6, 2016); Illinois Energy Assistance Act (the "IEAA"), 305 ILCS 20/18; Cal. Pub. Util. Code § 382.

service to CAP customers and more fairly allocate the costs of these critical programs between all of the entities who enjoy the benefits of Columbia's service.

Q: How do other states allocate the cost of public purpose program costs?

A: To my knowledge, Pennsylvania is the only state that limits cost recovery of universal service programming to the residential class. I am advised by counsel that other states which operate universal service programming, including Colorado, Ohio, New Jersey, Maine, New Hampshire, New York, Washington, Oregon, Illinois, and California, recover the costs of universal service programming from every rate class.[116] I am further advised by counsel that the legal aspects of this issue, including the laws pertaining to cost recovery of universal service costs in other states, will be more thoroughly addressed as necessary through briefing.

IV. SUMMARY OF RECOMMENDATIONS

Q: Please summarize your recommendations.

A: As I noted from the outset of my testimony, I do not believe that Columbia's proposed rate increase is appropriate at this time, given the grave and uncertain economic impact of the COVID-19 pandemic on our communities as a whole, and on low-income consumers specifically. I recommend that Columbia's rate increase be rejected in its entirety.

[116] Roger D. Colton, Best Practices: Low-income Rate Affordability Programs (Nov. 2007), http://www.fsconline.com/downloads/Papers/2007%2011%20BestPractice_RateAffordability.pdf ("With the exception of Pennsylvania, whose utility commission has chosen to limit cost recovery exclusively to the residential class, low-income rate affordability programs recover their costs from all customer classes."); see, e.g., 4 CCR 723-3, § 3412(g) (Colorado); Ohio Rev. Code § 4928.52; NJ Rev. Stat. § 48:3-60; Amendments to Consumer Protections Standards for Electric and Gas Transmission and Distribution Utilities (Chapter 815) and Statewide Low-income Assistance Plan (Chapter 314), No. 2013-00228, Order (Me P.U.C. July 17, 2013); Re Statewide Low-Income Electric Assistance Program, 87 NH PUC 349, 218 P.U.R.4th 442 (N.H. PUC 2002); Order Adopting Low-income Program Modifications and Directing Utility Filings, NY Pub. Service Comm'n Docket No. 14-M-0565 (May 20, 2016); 2015 ORS § 757.612(7); Re Investigation into Percentage of Income Payment Program, No. 16-254, Order (Or. P.U.C. July 6, 2016); Illinois Energy Assistance Act (the "IEAA"), 305 ILCS 20/18; Cal. Pub. Util. Code § 382.

Nevertheless, I made several recommendations throughout my testimony to address current levels of unaffordability and mitigate the financial impact of any approved rate increase on low-income households, including the following:

- Require Columbia to Develop a Plan to Reach 50% CAP Enrollment by 2025
- Reduce the Maximum Energy Burden for Percentage of Income CAP Rate Customers
- Increase the LIURP Health and Safety Pilot Program budget by $600,000 per year, and extend the program until 2023.
- Reject Columbia's Proposal to Increase its Fixed Residential Customer Charge
- Reject Columbia's proposed Rider RNA
- Require Columbia to Recover Universal Service Program Costs Equitably from All Rate Classes

These critical reforms are necessary to ensure that Columbia's service is universally accessible to all consumers based on just and reasonable terms and conditions of service.

Q: Does this conclude your direct testimony?

A: Yes.

APPENDIX A

Resume of Mitchell Miller

MITCHELL MILLER
60 GEISEL Road
Harrisburg, PA 17112
Home: (717) 599-5510 Mobile: (717) 903-2196
Mitchmiller77@hotmail.com

EMPLOYMENT

2009-Present **Mitch Miller Consulting, LLC**

Practice provides consulting services that promote the public interest with a focus on low income households. Specifically over 35 years of expertise is applied to the evaluation of regulatory policy involving customer service, complaint handling, credit and collections and universal service. Objective is to promote public policy development, program design, and implementation of programs for consumer education, energy efficiency, credit and collections, and customer assistance.

2009-2012 **Pennsylvania Department of Community and Economic Development**
Consultant

Served as a Consultant on weatherization and energy efficiency for the Pennsylvania Weatherization Assistance Program (WAP) at PA DCED. Was instrumental in transforming the WAP program by creating a performance-based system, dedicated to a high standard of quality, compliance and production. Innovations include introducing performance standards for production, quality and compliance and independent certification and training for all state WAP workers. Also responsible for coordinating the states WAP program with the PUC, utilities and other efficiency programs.

1992-2009 **Pennsylvania Public Utility Commission**

Director, Bureau of Consumer Services

Until his retirement from state service Mr. Miller was director of Consumer Services and PA PUC. His bureau has regulatory authority and responsibility for policy development for all areas of consumer services including resolving consumer complaints and problems, enforcing consumer regulations, developing, implementing and evaluating programs involving complaint handling, complaint analysis collections, enforcement of consumer regulations, utility customer assistance programs and low income conservation. He also directed BCS responsibilities for implementing the Pennsylvania Electric, Gas and Telephone Customer Choice Programs. Specific areas under his Direction include:

Program Evaluation and Regulation

- Monitoring and evaluating the customer service practices and programs of utilities
- Promulgating regulations, implementing procedures to meet regulatory requirement and taking enforcement action to assure compliance
- Field reviews and audits of utilities' operations and advice the Commission regarding issues of interest and concern of utility consumers
- Compliance enforcement including informal investigations and prosecution of formal cases

- Track trends in the number and type of consumer complaints and inquiries, utility performance at handling customer complaints and payment arrangement requests. Other databases utilized to track utility termination activity, collection of delinquent accounts, compliance with customer service regulations and other areas critical to evaluating utility customer service performance.
- Produce utility performance and evaluative reports for the PUC, utilities and the public

Universal Service Programs

- The LIURP is targeted toward low-income households with the highest energy consumption, payment problems, and high arrearages. Since the program's inception to 2009, the major electric and gas companies required to participate in LIURP have spent over $530 million to provide weatherization treatments to more than 350,000 low-income households in Pennsylvania. The budgets for 2008 were 22.million for electric utilities and 9 million for gas utilities
- Customer Assistance Programs (CAPs) provide an alternative to traditional collection methods for low income, payment troubled utility customers. Customers make regular monthly payments, which may be for an amount that is less than the current bill for utility service. Budgets for CAP programs in 2008 were 189 million for electric companies and 174 million for gas companies. Utility companies have spent over 2 billion dollars for CAP through 1998.

Utility Complaint Handling and Regulation

- Responsible for establishing procedures and directing 90 staff in investigating annually over 100,000 informal consumer complaints for regulated fixed utilities, payment arrangement requests and responding to over 70,000 inquiries.
- Arbitrate billing, credit and other informal complaints and issue binding decisions to resolve informal disputes expeditiously. Investigators also issue decisions regarding the amortization of overdue electric, gas, steam heat, water, wastewater and basic telephone bills.

1978-1992 Pennsylvania Public Utility Commission

PA Chief, Division of Research and Planning

Reported to Director of Bureau of Consumer Services with direct responsibility for the direction, supervision and planning of a Division of 15 professionals who are delegated program responsibilities for regulation enforcement, utility program evaluation, customer assistance programs and consumer education. As the first Division Chief he was instrumental in creating these activities

- Bureau's compliance program in enforcing customer service regulations and statues through regulator interpretations, citations and litigation; including preparing with legal staff formal records, briefs, motions, interrogatories, reviewing utility responses and negotiating equitable settlements.

- Development and implementation of computer information evaluation systems for evaluation of utility customer service programs; systematic performance problems are identified through statistical analysis and observation and correction actions recommended via public reports, formal rate cases and consumer services audit programs.
- Managed the development of Commission's first consumer education program including proposing annual plans, statewide networking, supervising staff in conducting of workshops and conferences, and preparation of consumer education materials.

- Supervised the development of an integrated program for low income consumers; through program evaluation, leading to testimony, preparation of policy recommendations, interdepartmental coordination, regulation promulgation and establishing evaluation criteria

1977-1978 Pennsylvania Public Utility Commission Harrisburg, PA Research Analyst

Responsible for evaluating existing utility and Commission customer service programs and identifying problems and recommendations for change, which led to Division's current programs.

1974-1977 Governor's Action Center Harrisburg, PA
Research Supervisor

Office supervisor for a research and information unit. Duties included the modification and maintenance of an information and evaluation system, writing technical and topical reports, quality control review and staff training. Responsible for the supervision of five case evaluator and student interns.

EDUCATION

M.S., Shippensburg University, 1984
Major: Public Administration
G.P.A. 3.9/4.0

B.S., Pennsylvania State University, 1974
Major: Community Development
Cum Laude

ADDITIONAL AFFILIATIONS

Member, Pennsylvania WAP Policy Advisory Council

Member, Keystone Energy Efficiency Alliance

Past Co-Chair Keystone Energy Efficiency Alliance Conference

Past Co-Chair National Energy and Utility Affordability Conference

EXPERT TESTIMONY

- Pa PUC v. UGI Gas of Pennsylvania, Inc., Docket No. R--2019-3015162
- Pa PUC v. UGI Gas of Pennsylvania, Inc., Docket No. R-2018-3006814
- Implementation of Chapter 32 of the Public Utility Code Re Pittsburgh Water and Sewer Authority, Docket Nos. M-2018-2640802, M-2018-2640803
- Pa. PUC v. Pittsburgh Water and Sewer Authority, Docket No. R-2018-3002645; R-2018-3002647
- Pa. PUC v. PECO Energy Co., Docket No. R-2018-30000164
- Pa. PUC v. Columbia Gas of Pennsylvania, Inc., Docket No. R-2018-2647577
- PECO Energy Company's Pilot Plan for an Advance Payments Program and Temporary Waiver of Portions of the Commissions Regulations, Docket No. P-2016-2573023
- Pa. PUC v. UGI Penn Electric, Inc., Docket R- 2016-2580030
- Pa. PUC v. Metropolitan Edison Company, Docket No. R-2016-2537349
- Pa. PUC v. Pennsylvania Electric Co., Docket No. R-2016-2537352
- Pa. PUC v. Pennsylvania Power Co., Docket No. R-2016-2537355
- Pa. PUC v. West Penn Power, Docket No. R-2016-2537953
- Pa. PUC v. UGI Utilities, Inc. – Gas Division, Docket No. R-2015-2518438
- Petition of Duquesne Light for Approval its Act 129 Phase III Energy Efficiency and Conservation Plan, Docket No. M-2015-2515375
- Petition of PECO Energy Co. for Approval its Act 129 Phase III Energy Efficiency and Conservation Plan, Docket No. M-2015-2515619
- Consolidated Petition of First Energy Companies for Approval its Act 129 Phase III Energy Efficiency and Conservation Plan, Docket Nos. M-2015-2514767, -2514768, -2514769, 2514772
- Petition of Philadelphia Gas Works for Approval of its Phase II Demand Side Management Plan, Docket No. P-2014-2459362
- Pa. PUC v. PECO Gas of Pa., Inc., Docket No. R-2015-2468056
- Pa. PUC v. PPL Electric Utilities Corporation, Docket No. R-2015-2469275
- Pa. PUC v. PECO Gas of Pa., Inc., Docket No. R-2014-2406274
- Verizon Pa., LLC, and Verizon North, LLC, Petition for Competitive Classification, Docket Nos. P-2014-2446303, P-2014-2446304
- Petition of PECO Energy Co. for Approval its Act 129 Phase II Energy Efficiency and Conservation Plan, Docket No. M-2012-2333992
- Petition of PECO Energy Co. for Approval of its Default Service Program II, Docket No. P-2012-2283641
- Petition of PECO Energy Co. for Approval of its Universal Service and Energy Conservation Plan, Docket No. M-2012-2290911.

Appendix B
Cited Interrogatory Responses

Appendix B
Cited Interrogatory Responses

Interrogatories of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA) directed to Columbia Gas of Pennsylvania, Inc. (CPA)

CAUSE-PA to CPA I-1
CAUSE-PA to CPA I-2 w/ Attachment
CAUSE-PA to CPA I-3
CAUSE-PA to CPA I-4
CAUSE-PA to CPA I-5
CAUSE-PA to CPA I-6 w/ Attachment
CAUSE-PA to CPA I-7
CAUSE-PA to CPA I-10
CAUSE-PA to CPA I-13
CAUSE-PA to CPA I-14
CAUSE-PA to CPA I-15
CAUSE-PA to CPA I-18 w/ Attachment
CAUSE-PA to CPA I-24
CAUSE-PA to CPA I-25
CAUSE-PA to CPA I-26

Interrogatories of Office of Consumer Advocate (OCA) directed to CPA

OCA to CPA IV-1 w/ Attachment C

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-001:

Please identify the financial impact of the proposed increase on customers enrolled in Columbia's Customer Assistance Program (CAP) by payment plan type. If you are unable to identify the financial impact, or assert that there will be no impact, please explain.

Response:

The majority of CAP customers will experience no impact resulting from an increase in rates, as their monthly CAP payment is based on factors unrelated to rates or monthly bills. This includes customers on the Percent of Income, Average of Bills and Minimum payment plans. However, those customers whose monthly CAP payment is the "50% of budget payment option" may experience an increase after the next budget payment re-evaluation, which will occur in May 2021. At that time, any increase or decrease in bill factors, including usage, base rates, gas cost rates/supplier charges or customer charge, which result in a total bill increase or decrease, will impact their budget payment.

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-002:

For 2018, 2019, and to date in 2020, disaggregated by month, please identify the number of Columbia CAP customers whose bills were calculated based on:

a. Average monthly bill;

b. Percentage of income (disaggregated by income tier);

c. Flat rate 50% of budget billing;

d. Minimum bill; or

e. Other (please specify).

Response:

Please see Attachment A to this response for counts of CAP customers billed based on the following approved CAP payment plan options.

- Percent of Income
- Average of Payments
- 50% of Bill
- Minimum Payment
- Senior CAP (phased out in 2018)

Month	CAP payment Option	2018	2019	2020
January	% of Income - 7%	4357	4614	4427
	% of Income - 9%	37	40	29
	Average of Payments	4563	3638	2663
	% of Bill	13465	14440	14580
	Minimum Payment	1964	2056	2110
	Senior CAP	1	0	0
February	% of Income - 7%	3813	3987	3812
	% of Income - 9%	36	38	28
	Average of Payments	3987	3094	2250
	% of Bill	11801	12506	12593
	Minimum Payment	1693	1704	1803
	Senior CAP	1	0	0
March	% of Income - 7%	4208	4364	4455
	% of Income - 9%	39	41	29
	Average of Payments	4314	3274	2597
	% of Bill	13085	13750	14926
	Minimum Payment	1893	1877	2181
	Senior CAP	1	0	0
April	% of Income - 7%	4254	4371	4255
	% of Income - 9%	36	36	29
	Average of Payments	4295	3176	2472
	% of Bill	13231	14025	14467
	Minimum Payment	1912	1955	2135
	Senior CAP	1	0	0
May	% of Income - 7%	4682	4738	4058
	% of Income - 9%	36	35	27
	Average of Payments	4558	3284	2345
	% of Bill	14567	15331	13855
	Minimum Payment	2130	2188	2126
	Senior CAP	1	0	0
June	% of Income - 7%	4369	4003	
	% of Income - 9%	34	31	
	Average of Payments	4153	2751	
	% of Bill	13632	13031	
	Minimum Payment	1979	1873	
	Senior CAP	1	0	
July	% of Income - 7%	4368	4585	
	% of Income - 9%	34	28	
	Average of Payments	4023	3063	
	% of Bill	13501	15013	
	Minimum Payment	1942	2202	
	Senior CAP	1	0	
August	% of Income - 7%	4509	4320	
	% of Income - 9%	35	30	
	Average of Payments	4133	2817	
	% of Bill	14171	14096	

	Minimum Payment	2032	2079	
	Senior CAP	1	0	
September	% of Income - 7%	4061	4019	
	% of Income - 9%	36	25	
	Average of Payments	3528	2589	
	% of Bill	12494	13210	
	Minimum Payment	1776	1919	
October	% of Income - 7%	4425	4280	
	% of Income - 9%	38	27	
	Average of Payments	3882	2760	
	% of Bill	14158	14315	
	Minimum Payment	1993	2065	
November	% of Income - 7%	4119	3885	
	% of Income - 9%	40	24	
	Average of Payments	3430	2407	
	% of Bill	12812	12581	
	Minimum Payment	1803	1834	
December	% of Income - 7%	3822	3777	
	% of Income - 9%	37	28	
	Average of Payments	3132	2310	
	% of Bill	11937	12449	
	Minimum Payment	1640	1786	

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-003:

For 2018, 2019, and to date in 2020, how many of Columbia customers were/are categorized as a confirmed low income customer, disaggregated by month?

Response:

The chart below provides a count of confirmed low income by month.

	2018	2019	2020
Jan	69,279	69,521	66,999
Feb	69,655	69,759	68,115
Mar	69,778	69,727	68,293
Apr	69,004	69,138	68,448
May	68,015	68,127	68,534
Jun	67,144	67,716	
Jul	66,429	66,887	
Aug	65,819	65,676	
Sep	65,747	65,586	
Oct	66,249	65,668	
Nov	66,613	66,346	
Dec	67,350	66,833	

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-004:

For 2018, 2019, and to date in 2020, how many of Columbia's customers were/are enrolled in CAP, disaggregated by month?

Response:

The chart below provides the number of customers in CAP by month.

Month	2018	2019	2020
January	24,387	24,788	23,809
February	21,331	21,329	20,486
March	23,540	23,306	24,188
April	23,729	23,563	23,358
May	25,974	25,576	22,411
June	24,168	21,689	
July	23,870	24,892	
August	24,882	23,342	
September	21,895	21,762	
October	24,496	23,447	
November	22,204	20,731	
December	20,568	20,350	

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-005:

How many of Columbia's confirmed low-income customers received a LIHEAP Cash and/or Crisis Grant in the 2018-2019 LIHEAP program year and to date in the 2019-2020 LIHEAP program year? Please disaggregate by program year and type of grant received (Cash Only, Crisis Only, Both Cash and Crisis, Supplemental)?

Response:

	LIHEAP	CRISIS	Both	Supplemental Phase I	Supplemental Phase 2	CARES Act Supplemental as of 6/1/20
2018-2019	15,879	746	1,663	520	1,446	
2019-2020	14,311	47	2,178			1,635

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-006:

As of January 1, 2020, how many estimated low-income customers reside within Columbia service territory? Please explain how Columbia arrived at its estimated figures, and include citation and/or copies of any and all workpapers used to perform the estimation.

Response:

Columbia uses census data provided by the staff of the Bureau of Consumer Services ("BCS") to estimate the number of low income customers that reside within Columbia's service territory. Since the Company does not serve 100% of each county, the Company determines the ratio of its customer count to the total population of each county, and then applies that ratio to the total number of low income households in each county, as reported by the BCS, to arrive at the estimated number.

Please see Attachment A to this response for the data reported to the Commission in March, 2020 as part of the Universal Service Reporting Requirements.

Estimate of Low-Income Customers by County

County	Customer Count	Census Household	Percent Customers CPA	Census Household Low-Income	Low-Income CPA
Adams	14129	39,221	36.02%	7982	2,875
Allegheny	101324	537,960	18.83%	129562	24,403
Armstrong	863	27,990	3.08%	7624	235
Beaver	35464	70,817	50.08%	17128	8,577
Bedford	12	19,674	0.06%	6062	4
Butler	9374	76,240	12.30%	13797	1,696
Centre	13029	57,908	22.50%	17751	3,994
Clarion	3559	15,824	22.49%	5187	1,167
Clearfield	0	31,349	0.00%	10307	0
Elk	31	13,727	0.23%	3139	0
Fayette	22145	54,511	40.62%	19090	7,755
Franklin	4639	60,210	7.70%	14933	1,151
Fulton	4	5,950	0.07%	1548	1
Greene	2700	14,211	19.00%	3858	733
Indiana	555	33,892	1.64%	12065	198
Jefferson	353	18,465	1.91%	5653	108
Lawrence	18144	36,907	49.16%	10801	5,310
McKean	3154	17169	18.37%	5930	1,089
Mercer	29	46028	0.06%	13118	8
Somerset	4713	29708	15.86%	5831	925
Venango	680	21915	3.10%	6742	209
Warren	2371	17080	13.88%	4590	637
Washington	42563	84100	50.61%	18422	9,323
Westmoreland	20760	151665	13.69%	33178	4,541
York	100593	171244	58.74%	38009	22,327
					97,268

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-007:

How many CAP customers had their service terminated for non-payment in calendar years 2017, 2018, 2019, and to date in 2020, disaggregated by month?

Response:

The following chart provides the number of active CAP customers terminated for non-payment in the given month and year.

	January	February	March	April	May	June	July	August	September	October	November	December
2017	0	0	0	81	134	122	155	182	115	91	37	0
2018	0	0	0	116	143	166	188	187	65	68	41	0
2019	0	0	0	102	145	168	224	160	115	88	35	0
2020	0	0	0	0	0							

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-010:

For calendar years 2017, 2018, and 2019, what was the average energy burden of CAP customers (including any arrearage forgiveness co-payment or any other additional fee or charge above the average bill), disaggregated by year, income level (0-50%, 51-100%, and 101-150% of the federal poverty level), and payment plan type?

Response:

The chart below provides the average energy burden of CAP customers including co pays and CAP plus.

		2017	2018	2019
% of Income	**1 to 50**	6.78%	7.40%	7.64%
	51 to 100	7.07%	7.38%	7.40%
	101 to 150	7.86%	7.99%	8.02%
Avg of Payments	**1 to 50**	4.76%	5.05%	5.34%
	51 to 100	4.15%	4.22%	4.20%
	101 to 150	3.97%	3.18%	2.92%
% of Bill	**1 to 50**	4.15%	4.42%	5.24%
	51 to 100	4.38%	4.56%	5.02%
	101 to 150	4.47%	3.56%	3.44%

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-013:

What is the average annual income of Columbia's currently identified confirmed low income customers?

Response:

The average annual income of customers currently identified as low income, which includes customers claiming zero income, is $11,238.

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-014:

What is the average annual income of Columbia's currently enrolled CAP customers?

Response:

The average annual income of Columbia's currently enrolled CAP customers, which includes those customers reporting zero income, is $15,078.

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-015:

For the years 2018, 2019, and to date in 2020, how many customers were terminated for nonpayment each month, disaggregated by:

a. All residential customers

b. Confirmed low-income customers

Response:

The chart below provides number of customers terminated for non- payment by year and month disaggregated by all residential and low income.

	2018		2019		2020	
	All Residential	Low Income	All Residential	Low Income	All Residential	Low Income
January	2	0	2	0	3	0
February	0	0	6	0	4	0
March	2	0	8	0	5	0
April	1990	1177	1934	990	0	0
May	2398	1231	1958	1057		
June	1904	1077	1817	988		
July	1695	998	1600	934		
August	1406	866	1339	806		
September	396	247	1018	614		
October	755	524	756	480		
November	309	194	332	196		
December	2	0	0	0		

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-018:

For 2017, 2018, 2019, and thus far in 2020 (Jan.-May), disaggregated by month, please provide:

a. the number of residential customers in debt

b. the number of confirmed low-income customers in debt

c. the percentage of residential customers in debt

d. the percentage of confirmed low-income customers in debt

e. the dollars in debt for residential customers

f. the dollars in debt for confirmed low-income customers

g. the percent of dollars owed that are on a payment arrangement for residential customers

h. the percent of dollars owed that are on a payment arrangement for confirmed low-income customers

i. the average arrearage for residential customers

j. the average arrearage for confirmed low-income customers

Response:

Please see Attachment A to this response for the requested data disaggregated by month. Due to the credit delays that Columbia has placed on customer accounts

		(a) The number of residential customers in debt	(b) The number of confirmed low-income customers in debt	(c) The percentage of residential customers in debt	(d) The percentage of confirmed low income customers in debt	(e)The dollars in debt for residential customers	(f) The dollars in debt for confirmed low-income customers	(g) The percent of dollars owed that are on a payment arrangement for residential customers	(h) The percent of dollars owed that are on a payment arrangement for confirmed low-income customers
2017	January	$ 25,618	12,302	6.49%	17.84%	$ 14,117,694	$ 7,437,009	58.77%	68.28%
	February	$ 26,387	12,998	6.68%	18.50%	$ 18,191,649	$ 9,375,196	62.37%	71.42%
	March	$ 27,204	12,714	6.89%	18.13%	$ 19,733,401	$ 10,037,777	67.98%	77.62%
	April	$ 26,389	11,773	6.70%	16.94%	$ 18,117,784	$ 8,807,687	74.71%	84.15%
	May	$ 29,843	12,043	7.60%	17.50%	$ 16,195,764	$ 7,679,934	75.42%	85.18%
	June	$ 31,056	11,964	7.93%	17.62%	$ 12,999,258	$ 6,234,336	78.11%	85.87%
	July	$ 29,524	11,089	7.55%	16.59%	$ 10,001,327	$ 4,903,172	80.01%	86.77%
	August	$ 28,233	10,495	7.23%	15.86%	$ 8,034,987	$ 4,003,811	77.96%	86.25%
	September	$ 26,019	9,720	6.65%	14.72%	$ 6,597,295	$ 3,333,609	74.62%	83.49%
	October	$ 24,065	9,143	6.13%	13.78%	$ 5,907,492	$ 3,051,171	71.22%	81.05%
	November	$ 22,252	8,781	5.63%	13.13%	$ 6,199,777	$ 3,272,936	70.66%	80.24%
	December	$ 22,843	9,684	5.75%	14.31%	$ 9,414,544	$ 4,812,455	63.05%	72.28%
2018	January	$ 25,434	11,647	6.39%	16.81%	$ 15,437,565	$ 7,659,436	57.67%	65.98%
	February	$ 26,179	12,171	6.58%	17.47%	$ 20,105,817	$ 9,562,702	59.41%	68.78%
	March	$ 26,686	11,758	6.70%	16.85%	$ 21,428,603	$ 9,996,669	68.70%	76.03%
	April	$ 26,288	10,954	6.62%	15.87%	$ 19,737,235	$ 8,863,026	76.85%	84.49%
	May	$ 30,072	11,534	7.60%	16.96%	$ 18,972,178	$ 8,262,790	74.08%	83.00%
	June	$ 31,779	11,441	8.04%	17.04%	$ 15,145,385	$ 6,692,383	77.33%	84.37%
	July	$ 31,088	11,070	7.88%	16.66%	$ 11,743,910	$ 5,394,771	80.77%	86.70%
	August	$ 29,670	10,373	7.52%	15.76%	$ 9,446,375	$ 4,452,191	80.12%	87.20%
	September	$ 27,539	9,863	6.97%	15.00%	$ 8,046,141	$ 3,920,759	79.50%	87.20%
	October	$ 26,012	9,474	6.55%	14.30%	$ 7,363,676	$ 3,681,772	76.31%	84.66%
	November	$ 23,625	9,027	5.92%	13.55%	$ 7,785,630	$ 3,868,644	74.53%	82.70%
	December	$ 23,547	9,678	5.89%	14.37%	$ 11,057,678	$ 5,360,553	68.35%	76.78%
2019	January	$ 26,170	11,807	6.53%	16.98%	$ 16,621,942	$ 8,163,421	61.29%	69.43%
	February	$ 26,767	12,374	6.67%	17.74%	$ 20,879,685	$ 10,083,003	65.01%	72.35%

	March	$ 26,223	11,357	6.53%	16.29%	$ 23,088,995	$ 10,808,430	71.10%	79.22%
	April	$ 26,540	11,198	6.63%	16.20%	$ 21,913,644	$ 9,914,366	77.01%	85.44%
	May	$ 30,878	11,835	7.73%	17.37%	$ 19,960,802	$ 8,880,108	77.88%	86.70%
	June	$ 28,692	11,027	7.20%	16.28%	$ 15,510,847	$ 7,289,392	85.71%	90.84%
	July	$ 31,267	11,334	7.86%	16.94%	$ 13,112,870	$ 6,181,651	83.92%	89.82%
	August	$ 29,962	10,804	7.54%	16.45%	$ 10,804,292	$ 5,208,422	83.61%	90.42%
	September	$ 27,970	10,305	7.03%	15.71%	$ 9,115,258	$ 4,540,078	82.42%	89.63%
	October	$ 26,747	10,136	6.69%	15.44%	$ 8,349,035	$ 4,414,473	80.30%	88.39%
	November	$ 24,302	9,655	6.04%	14.55%	$ 8,502,093	$ 4,539,214	78.95%	87.56%
	December	$ 23,844	10,074	5.91%	15.07%	$ 11,415,574	$ 5,865,072	72.92%	82.64%
2020	January	$ 26,097	11,454	6.46%	17.10%	$ 16,880,286	$ 8,274,167	63.28%	73.22%
	February	$ 26,152	13,790	6.47%	20.25%	$ 19,879,442	$ 9,773,935	66.37%	75.77%

(i) The average arrearage for residential customers	(j) The average arrearage for confirmed low-income customers
$ 551.08	$ 604.54
$ 689.42	$ 721.28
$ 725.39	$ 789.51
$ 686.57	$ 748.13
$ 542.70	$ 637.71
$ 418.57	$ 521.09
$ 338.75	$ 442.17
$ 284.60	$ 381.50
$ 253.56	$ 342.96
$ 245.48	$ 333.72
$ 278.62	$ 372.73
$ 412.14	$ 496.95
$ 606.97	$ 657.63
$ 768.01	$ 785.70
$ 802.99	$ 850.20
$ 750.81	$ 809.11
$ 630.89	$ 716.39
$ 476.58	$ 584.95
$ 377.76	$ 487.33
$ 318.38	$ 429.21
$ 292.17	$ 397.52
$ 283.09	$ 388.62
$ 329.55	$ 428.56
$ 469.60	$ 553.89
$ 635.15	$ 691.41
$ 780.05	$ 814.85

$ 880.49	$ 951.70
$ 825.68	$ 885.37
$ 646.44	$ 750.33
$ 540.60	$ 661.05
$ 419.38	$ 545.41
$ 360.60	$ 482.08
$ 325.89	$ 440.57
$ 312.15	$ 435.52
$ 349.85	$ 470.14
$ 478.76	$ 582.20
$ 646.83	$ 722.38
$ 760.15	$ 708.77

due to the COVID 19 pandemic, the Company is unable to provide the requested data beyond February, 2020 at this time.

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-024:

What are Columbia's projected CAP costs for 2020 and 2021, assuming Columbia adopted the revised energy burdens in the Commission's recently amended CAP Policy Statement as of January 1, 2020?

Response:

The Company's response includes the following assumptions based on the referenced CAP policy statement:

a. Columbia adopted the revised energy burdens of 4% for customers at or below 50% FPL and 6% for customers between 51 and 150% FPL
b. The minimum payment of $25 plus CAP plus fee which is currently $2.00 would remain
c. Arrearage retirement continues at the same pace
d. All customers currently below 4% and 6% would continue to pay their current asked to pay amount and would not move to a percent of Income option
e. No dramatic increase in participation rates

The Company would project an increase to shortfall (cap credits) of $1,019,172 annually. The Company projects that all other costs such as administrative fees and arrearage retirement costs would not change significantly. The shortfall increase equates to roughly 5% increase annually for CAP upon adoption. The Company is not projecting an increase to CAP costs year over year, however weather and gas prices are unpredictable and can have a large impact on CAP costs, specifically shortfall costs.

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-025:

How many residential customers did Columbia have as of June 1, 2020 (or the most recent date for which this datapoint is available)?

Response:

Columbia had 404,910 residential customers as of May 31, 2020.

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Coalition for Affordable Utility Services and Energy Efficiency
in Pennsylvania (CAUSE-PA) – Set 1

Question No. CAUSE-PA 1-026:

How many CAP customers did Columbia have as of June 1, 2020 (or the most recent date for which this datapoint is available)?

Response:

There are 23,212 active CAP customers as of June 1, 2020.

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2020-3018835

Data Requests

Office of Consumer Advocates – Set 4

Question No. OCA 4-001:

Please provide a copy of the reports or, if not in report form, the data, submitted to the PUC Bureau of Consumer Services in compliance with Universal Services reporting requirements since January 2017.

Response:

Please see Attachment A to this response for the April, 2018 report providing 2017 data.
Please see Attachment B to this response for the April, 2019 report providing 2018 data.
Please see Attachment C to this response for the April, 2020 report providing 2019 data.

Universal Services Reporting Requirements - **2019**

Collections	All Residential	Conf. Low Income
1. Total Number(#) - Payment Arrangements	27,086	15,977
2. Total Number (#) - Successful Payment Arrangements	9,037	4,547
3. Annual Collection Operating Expenses ($)	$5,042,206	$2,446,978
4. Total Dollar Amount ($) - Gross Residential Write-Offs	$8,903,865	$4,440,413
5. Total Dollar Amount ($) - Net Residential Write Offs	$5,283,569	$2,663,602
6. Total Number (#) Residential Customers - By Month		
January	400,835	69,521
February	401,135	69,759
March	401,310	69,727
April	400,416	69,138
May	399,272	68,127
June	398,404	67,716
July	397,732	66,887
August	397,604	65,676
September	398,046	65,586
October	400,099	65,668
November	402,307	66,346
December	403,359	66,833
7. A. Total Number(#) Residential Accounts in Arrears on Agreements - By Month		
January	13,539	6,905
February	15,903	7,876
March	18,550	8,832
April	20,434	9,323
May	20,904	9,257
June	20,487	8,901
July	19,344	8,333
August	17,771	7,767
September	16,055	7,316
October	14,459	7,001
November	12,709	6,539
December	12,344	6,475
7. B. Total Number (#) Residential Accounts in Arrears not on Agreements - By Month		
January	12,631	4,902
February	10,864	4,498
March	7,673	2,525
April	6,106	1,875
May	9,974	2,578
June	8,205	2,126
July	11,923	3,001
August	12,191	3,037
September	11,915	2,989
October	12,288	3,135
November	11,593	3,116
December	11,500	3,599
8. A. Total Dollar Amount ($) Residential Accounts in Arrears on Agreements - By Month		
January	$10,187,999	$5,667,715
February	$13,574,761	$7,295,279
March	$16,415,125	$8,562,923
April	$16,874,692	$8,470,963
May	$15,545,628	$7,698,871
June	$13,294,836	$6,621,396
July	$11,004,676	$5,552,083
August	$9,033,247	$4,709,342
September	$7,513,030	$4,069,107
October	$6,703,860	$3,902,154
November	$6,712,144	$3,974,420
December	$8,324,030	$4,846,932

Universal Services Reporting Requirements - **2019**

Collections	All Residential	Conf. Low Income
8. B. Total Dollar Amount ($) Residential Accounts in Arrears not on Agreements - By Month		
January	$6,433,943	$2,495,706
February	$7,304,924	$2,787,724
March	$6,673,870	$2,245,507
April	$5,038,952	$1,443,403
May	$4,415,174	$1,181,237
June	$2,216,011	$667,996
July	$2,108,194	$629,568
August	$1,771,045	$499,080
September	$1,602,228	$470,971
October	$1,645,175	$512,319
November	$1,789,949	$564,794
December	$3,091,544	$1,018,140
9. Total Number (#) Residential Payment Troubled Customers - By Month		
January	9,870	5,543
February	10,378	5,857
March	11,541	6,600
April	13,056	7,438
May	14,805	8,337
June	15,847	8,907
July	16,345	9,269
August	16,616	9,496
September	16,093	9,485
October	15,630	9,411
November	15,343	9,469
December	16,415	10,172
10. Total Number (#) Terminations - By Month		
January	2	1
February	6	0
March	8	1
April	1,934	990
May	1,958	1,057
June	1,817	988
July	1,600	934
August	1,339	806
September	1,018	614
October	756	480
November	332	196
December	0	0
11. Total Number (#) Reconnections - By Month		
January	81	41
February	31	13
March	14	3
April	604	293
May	804	406
June	677	345
July	570	307
August	703	378
September	700	407
October	1,036	499
November	778	381
December	155	61
12. Total Number (#) Low Income Households (Accounts) (Estimated)	97,268	
Submit Estimation Methodology in a Separate Document		
12. B. Annual Residential Revenues ($)	$431,312,024	$78,879,165

Universal Services Reporting Requirements - **2019**

LIURP	Value
13. Program Costs ($)/Actual Spending for the Year Just Completed	$5,228,706
14. Number of Family Members Under Age 18	0.07%
15. Number of Family Members Over Age 62	0.58%
16. Family Size	2.55%
17. Income ($)	$16,740
18. Source of Income	
Employment	150
Public Assistance	9
Pension/Retirement	112
Unemployment Compensation	2
Disability	98
Other (Includes Missing Data)	126
19. Participation Levels By Month (#) - Reporting Year	
Heating Jobs	
January	28
February	48
March	48
April	48
May	34
June	45
July	53
August	40
September	51
October	45
November	36
December	21
Water Heating Jobs	
January	0
February	0
March	0
April	0
May	0
June	0
July	0
August	0
September	0
October	0
November	0
December	0
Baseload Jobs	
January	0
February	0
March	0
April	0
May	0
June	0
July	0
August	0
September	0
October	0
November	0
December	0
20. Projected Spending for Current Year - ($)	$4,955,929
21. Projected Annual Production Number (#) - Current Year	
Heating Jobs	497
Water Heating Jobs	0
Baseload Jobs	0

Universal Services Reporting Requirements - **2019**

LIURP	**Value**
22. Average Job Costs ($)	
Heating Jobs	$8,138
Water Heating Jobs	0
Baseload Jobs	0
22 A. Source of Intake	
Distribution Company	497
Community Based Organization	0
Other	0
22 B. Participants in Multiple Programs	
LIURP and CAP	1239
LIURP and CARES	9
LIURP and Hardship Fund	23
LIURP, CAP and CARES	5
LIURP, CAP and Hardship Fund	9
LIURP, CARES and Hardship Fund	3
LIURP, CAP, CARES and Hardship Fund	1

Universal Services Reporting Requirements - **2019**

CAP	Value
23. Program Costs - Administration ($)	$724,643
24. Program Costs - CAP Credits ($)	$17,970,920
25. Program Costs - Preprogram Arrearage Forgiveness ($)	$1,837,043
Program Costs - CAP Accounts in Arrears ($)	
26.A. Program Costs - CAP Accounts in Arrears - not on a Payment Agreement ($)	$0.00
26.B. Program Costs - CAP Accounts in Arrears - on a payment Agreement ($)	$0.00
Program Costs - CAP Accounts in Arrears (#)	
27.A. Program Costs - CAP Accounts in Arrears - not on a Payment Agreement (#)	0
27.B. Program Costs - CAP Accounts in Arrears - on a payment Agreement (#)	0
28. Number of Family Members Under Age 18	1.09
29. Number of Family Members Over Age 62	1.53
30. Family Size	2.62
31. Income ($)	$16,127
32. Source of Income	
Employment	10,485
Public Assistance	557
Pension/Retirement	10,112
Unemployment Compensation	603
Disability	2,885
Other (Includes Missing Data)	4,710
Participation Levels By Month	
33. Income at or below 50% of Poverty (#)	
January	5,067
February	5,373
March	5,451
April	5,526
May	5,578
June	5,534
July	5,395
August	5,297
September	5,173
October	5,000
November	5,083
December	5,082
34. Income between 51% and 100% of Poverty (#)	
January	10,358
February	11,008
March	11,045
April	11,085
May	10,975
June	10,855
July	10,521
August	10,364
September	10,181
October	9,999
November	10,030
December	10,044
35. Income between 101% and 150% of Poverty (#)	
January	7,403
February	7,661
March	7,786
April	8,053
May	7,988
June	7,904
July	7,836
August	7,650
September	7,537
October	7,599
November	7,587

Universal Services Reporting Requirements - **2019**

December	7,581
CAP	**Value**
36. Participation Levels: Default Exits - Income at or below 50% of Poverty (#)	1,014
37. Participation Levels: Default Exits - Income between 51% and 100% of Poverty (#)	1,667
38. Participation Levels: Default Exits - Income between 101% and 150% of Poverty (#)	1,428
39. Participation Levels: Exits other than Defaults (#)	3,113
40. Energy Assistance Benefits ($)	$2,470,017
41. Energy Assistance Benefits (#)	9,771
42. Number of Full CAP Payments by Month	
January	9,832
February	9,946
March	11,313
April	12,754
May	14,013
June	13,392
July	15,525
August	16,102
September	15,405
October	16,482
November	12,069
December	9,678
43. Total Annual CAP Billed Amount - (used to calcuate Average CAP Bills) ($)	$14,299,197
44. Total Number of CAP Bills Rendered by Month (#)	
January	24,787
February	21,328
March	23,305
April	23,562
May	25,575
June	21,688
July	24,891
August	23,341
September	21,761
October	23,446
November	20,730
December	20,349
45. Total Cash Payments by CAP Customers ($)	$11,006,661
46. Number of Full, On-Time Payments (#)	133,268
46. A. Source of Intake	
Distribution Company	1,637
Community-Based Organization	6,828
Other	0
46.B. Participants in Multiple Programs	
CAP and LIURP	1,239
CAP and CARES	41
CAP and Hardship Funds	306
CAP, LIURP, CARES	5
CAP, LIURP, Hardship Fund	9
CAP, CARES and Hardship Fund	5
CAP, LIURP, CARES and Hardship Fund	1

Total
29352

Universal Services Reporting Requirements - **2019**

CARES	Value
47. Program Costs ($)	$350,513
48. Number of Family Members Under Age 18	0.35
49. Number of Family Members Over Age 62	0.8
50. Family Size	1.93
51. Income ($)	$24,029
52. Source of Income	
Employment	36
Public Assistance	1
Pension/Retirement	61
Unemployment Compensation	0
Disability	17
Other (Includes Missing Data)	4
53. Participation Levels By Month	
January	100
February	109
March	127
April	105
May	111
June	108
July	124
August	93
September	94
October	114
November	113
December	72
54. Energy Assistance Benefits ($) - LIHEAP Cash Grants (CARES)	$3,618
55. Energy Assistance Benefits (#) - LIHEAP Cash Grants (CARES)	12
56. Energy Assistance Benefits ($) - LIHEAP Crisis Grants (CARES)	$2,936
57. Energy Assistance Benefits (#) - LIHEAP Crisis Grants (CARES)	6
58. Energy Assistance Benefits ($) - Outreach Efforts - LIHEAP Cash Grants (CARES)	$4,655,938
59. Energy Assistance Benefits (#) - Outreach Efforts - LIHEAP Cash Grants (CARES)	17,537
60. Energy Assistance Benefits ($) - Outreach Efforts - LIHEAP Crisis Grants (CARES)	$715,969
61. Energy Assistance Benefits (#) - Outreach Efforts - LIHEAP Crisis Grants (CARES)	2,408
62. Direct Dollars Applied to CARES Account ($)	$58,136
63. Direct Dollars Applied to Cases Account (#)	93
64. CARES Benefits (#) - Number of Customers Referred to CARES	824
65. CARES Benefits (#) - Number of Customers Accepted into CARES	120
65.A. Source of Intake	
Distribution Company	824
Community-Based Organization	0
Other	0
65.B. Participants in Multiple Programs	
CARES and LIURP	9
CARES and CAP	41
CARES and Hardship Fund	40
CARES, LIURP and CAP	5
CARES, LIURP and Hardship Fund	3
CARES, CAP and Hardship Fund	5
CARES, LIURP, CAP and Hardship Fund	1

Universal Services Reporting Requirements - **2019**

HARDSHIP	Value
66. Program Costs (Administrative Costs Only)	
Administrative Costs from Rate Base ($)	$73,303
Administrative Costs from Shareholders ($)	$0
67. Number of Family Memebers Under Age 18	1.00
68. Number of Family Members Over Age 62	0.33
69. Family Size	2.58
70. Income ($)	$26,119
71. Source of Income	
Employment	594
Public Assistance	8
Pension/Retirement	262
Unemployment Compensation	18
Disability	130
Other (Including Missing Data)	67
72. Participant Levels By Month (#)	
November	83
December	3
January	0
February	22
March	190
April	155
May	174
June	124
July	106
August	110
September	112
October	0
73. Ratepayer/Employee Contributions ($)	$375,000
74. Special Contributions ($)	
Citizens Energy Corporation	$0
Companies Other Than Utilities	$0
Settlements and Fines	$0
Other	$0
75. Utility Contributions ($) - Initial grant (excluding admin. $ and grants dependent on ratepayer match)	$0
76. Utility Contributions ($) - (excluding #66 and #75)	$150,000
77. Utilty Contributions ($) - (dependent upon a match from customer contributions)	$150,000
78. Outreach Contacts (Name of Agency, Address and Telephone # by County) - This is a separate list.	
Hardship Fund Benefits	
79. Cash Benefits (#)	1075 - needs to match 80 A
80. Cash Benefits ($)	$426,042
80.A. Source of Intake	
Distribution Company	0
Community-Based Organization	1,079
Other	0
80.B. Participants in Multiple Programs	
Hardship Fund and LIURP	23
Hardship Fund and CAP	306
Hardship Fund and CARES	40
Hardship Fund, LIURP and CAP	9
Hardship Fund, LIURP and CARES	3
Hardship Fund, CARES and CAP	5
Hardship Fund, LIURP, CAP and CARES	1

APPENDIX C

Energy Assistance Summary (EASUM) - Report Generated May 9, 2020

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Energy Assistance Summary (EASUM)

9/21/2019 - 5/7/2020

STATE WIDE

Cash Demographic Report (LIH660-R01)

	ITEM	COUNT	AMOUNT	%	AVG
HOUSING	Owner	114,806	$31,103,687	37	$271
	Renter	145,202	$42,282,810	47	$291
	RenterWithHeat	4,110	$583,666	1	$142
	SubsidizedWithHeat	20	$8,867	0	$443
	SubsidizedNoHeat	42,775	$12,895,614	14	$301
	Roomer	209	$41,950	0	$201
	Other	4,166	$1,472,105	1	$353
RACE	AmericanIndian	570	$185,731	0	$326
	Other	26,035	$7,389,368	8	$284
	NativeHawaiian	264	$86,274	0	$327
	Black	78,969	$22,967,209	25	$291
	White	196,768	$55,360,062	63	$281
	Asian	5,485	$1,450,944	2	$265
	Unknown	3,197	$949,111	1	$297
DISABLED	YES	114,613	$26,492,261	37	$231
	NO	196,675	$61,896,438	63	$315
AGE 60 & ABV	YES	122,237	$28,708,159	39	$235
	NO	189,051	$59,680,540	61	$316
AGE 5 & BLW	YES	57,887	$17,572,870	19	$304
	NO	253,401	$70,815,829	81	$279
PAY_TYPE	DIRECT	5,597	$1,231,950	2	$220
	PROVIDER	306,574	$87,420,394	98	$285
REFUNDS		5,288	$996,430		$188

AVERAGE HOUSEHOLD SIZE: 2.44

	ITEM	COUNT	AMOUNT	%	AVG
PAYMENT SENT	Electric	91,929	$26,345,755	30	$287
	FuelOil	50,807	$15,478,524	16	$305
	Coal	1,836	$457,208	1	$249
	NaturalGas	150,562	$41,388,129	48	$275
	Kerosene	3,902	$1,262,975	1	$324
	Propane	10,127	$2,808,313	3	$277
	WoodOrOther	1,185	$355,025	0	$300
	BlendedFuel	940	$292,770	0	$311
INCOME RANGE	0 - 999	16,360	$14,870,974	5	$909
	1000 - 1999	2,981	$2,520,307	1	$845
	2000 - 2999	2,887	$2,279,845	1	$790
	3000 - 3999	3,903	$2,491,388	1	$638
	4000 - 4999	4,092	$2,334,790	1	$571
	5000 - 5999	4,307	$1,961,619	1	$455
	6000 - 6999	5,246	$2,096,912	2	$400
	7000 - 7999	6,018	$2,106,257	2	$350
	8000 - 8999	8,450	$2,565,644	3	$304
	9000 - 9999	51,631	$13,468,142	17	$261
	10000 - 10999	14,781	$3,443,567	5	$233
	11000 - 11999	16,580	$3,522,372	5	$212
	12000 - 12999	16,292	$3,321,342	5	$204
	13000 - 13999	16,875	$3,366,389	5	$199
	14000 - 14999	18,623	$3,699,470	6	$199
	15000 - 15999	15,897	$3,156,700	5	$199
	16000 - 16999	15,440	$3,064,804	5	$198
	17000 - 17999	11,512	$2,289,810	4	$199
	18000 - 18999	9,701	$1,930,311	3	$199
	19000 - 19999	11,599	$2,306,573	4	$199
	> 19999	58,099	$11,585,324	19	$199
PAYMENT TYPE	Regular	311,288	$88,388,699		$284
	Reissue	97	$29,307		$302
	Secondpay	573	$189,276		$330
	Underpay	167	$33,588		$201
	Extraordinary	46	$11,474		$249
TOTAL PMT		312,171	$88,652,344		$284
RECOUPMENTS		345	$75,691		$219
NET PAID			$88,576,653		
PMT SUB TYPE	APD	0	$0		$0
	STD	312,171	$88,652,344		$284

* Counts, Amounts ($), % and AVG from HOUSING, RACE, DISABLED, OVER-60 and INCOME RANGE category are from Regular payments only

** Counts, Amounts ($), % and AVG from PAY_TYPE category are from All Payment Types (Regular, Reissue, Secondpay, Underpay and Extraordinary)

*** Counts, Amounts ($), % and AVG from PAYMENT_SENT category are from All Payment Types (Regular, Reissue, Secondpay, Underpay and Extraordinary)